



Orange County Government

Orange County
Administration Center
201 S Rosalind Ave.
Orlando, FL 32802-1393

Legislation Text

File #: 24-1716, **Version:** 1

Interoffice Memorandum

DATE: November 7, 2024

TO: Mayor Jerry L. Demings and County Commissioners

THROUGH: N/A

FROM: Tanya Wilson, AICP, Director
Planning, Environmental, and Developmental Services Department

CONTACT: Mitchell Glasser, Manager

PHONE: 407-836-5190

DIVISION: Housing and Community Development Division

ACTION REQUESTED:

Approval and execution of Affordable Housing Homeownership Loan Program Administration Agreement between Orange County, Florida and Neighborhood Lending Partners of Florida, Inc., to provide \$3.5 million from the Affordable Housing Trust Fund and create a Revolving Loan Fund for administrative services and construction loans. All Districts. (Housing and Community Development Division)

PROJECT: Affordable Housing Homeownership Loan Program Administration Agreement

PURPOSE: On March 24, 2020, the Board adopted Ordinance No. 2020-09 establishing the Affordable Housing Trust Fund for the purpose of providing the financial resources and the leverage necessary to create affordable housing units in Orange County. On September 22, 2020, the Board adopted the first Affordable Housing Trust Fund Plan FY 2020-2022 that outlines the eligible uses of the Affordable Housing Trust Fund, including a strategy to provide a Revolving Loan Fund for low interest loans to non-profit developers to build new homes and acquire or rehabilitate projects in both unincorporated and incorporated Orange County. Providing Revolving Loan Funds to non-profit developers will serve as a low-interest financing mechanism to scale up the production of for-sale, affordable housing units.

The County desires to utilize the services of Neighborhood Lending Partners of Florida, Inc. (NLP), a non-profit organization and community development financial institution, to provide administrative services and construction loans to non-profit developers as part of the Revolving Loan Fund. The

County desires to enter into this agreement with NLP to provide \$3.5 million from the Affordable Housing Trust Fund to create a Revolving Loan Fund. We anticipate the Revolving Loan Fund will finance the construction of 100 homes in the first four years of the program. Orange County has partnered with NLP for many years, providing financial services for our affordable multifamily projects, and this new agreement will add financial services for affordable single-family homeownership projects. The Revolving Loan Fund balance at the end of four years will be approximately \$3.2 million, which reflects shared closing cost with the non-profit borrower. The agreement provides the terms and conditions for the administration of the Revolving Loan Funds.

The County Attorney's Office has reviewed the agreement as to form.

BUDGET: N/A

BCC Mtg. Date: December 3, 2024

Return to:
Orange County Housing and
Community Development Div.
525 E. South Street
Orlando, FL 32801-2891
Attn: Angela Abrusci

**AFFORDABLE HOUSING HOMEOWNERSHIP LOAN PROGRAM
ADMINISTRATION AGREEMENT
BETWEEN
ORANGE COUNTY, FLORIDA AND
NEIGHBORHOOD LENDING PARTNERS OF FLORIDA, INC.**

THIS AGREEMENT is entered into by ORANGE COUNTY, FLORIDA, a charter county and political subdivision of the State of Florida, (hereinafter referred to as the “County”) and Neighborhood Lending Partners of Florida, Inc., a Florida not-for-profit corporation (hereinafter “NLP”).

RECITALS

WHEREAS, On March 24, 2020, the Orange County Board of County Commissioners (the “Board”) adopted Ordinance 2020-09 establishing the Affordable Housing Trust Fund Program (known as the “Housing Trust Fund” or the “Trust Fund”) to provide the financial resources and leverage necessary to create affordable housing units in Orange County; and

WHEREAS, on September 22, 2020, the Board adopted the first Affordable Housing Trust Fund Plan FY 2020-2022 that outlines the eligible uses of the Trust Fund, including a strategy to provide a revolving loan fund (RLF) for low interest loans to nonprofit developers to build new homes and acquire or rehabilitate projects in both unincorporated and incorporated Orange County by allocating \$3.5M as the initial fund for the RLF strategy; and

WHEREAS, providing Revolving Loan Funds to developers will serve as a low-interest financing mechanism to scale up the production of for-sale, affordable housing units; and

WHEREAS, NLP is a community development financial institution (CDFI) and a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code. NLP was established in 1993 to facilitate investment for community revitalization, neighborhood preservation and affordable housing; and

WHEREAS, the County desires to utilize the services of NLP to provide administrative services and construction loans to non-profit developers in constructing or developing affordable homes for low-income homebuyers in Orange County; and

WHEREAS, NLP will work with local not-for-profit agencies to develop these homes; and

WHEREAS, the County finds that creating affordable housing opportunities with NLP is a valid County purpose under the laws of Florida; and

WHEREAS, the County desires to enter into this agreement with NLP to provide NLP with \$3.5 million from the Trust Fund to create a RLF for acquisition and construction loans; and

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree and intend to be legally bound as follows:

Section 1. Recital. The foregoing recitals are true and correct and are incorporated herein as a material part of this Agreement.

Section 2. Definitions. In construing this Agreement the following words, phrases and terms shall have the following meanings, unless the context requires otherwise:

- 2.1 **“HDA” Homeowner Development Agencies or “Agencies”** shall mean qualified 501(c)(3) nonprofit agencies with experience in constructing, rehabilitating, and selling affordable homes.
- 2.2 **“Affordable”** shall mean that monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for “low-income”, “moderate-income”, or “very-low-income” households. However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed “Affordable” if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.
- 2.3 **“Very Low Income Person or Household”** shall mean a person or household whose income does not exceed fifty percent (50%) of the Orlando Metropolitan Statistical Area (“MSA”) Median Income published annually by the United States Department of Housing and Urban Development (“HUD”) and distributed by Florida Housing Finance Corporation (“FHFC”), adjusted for family size.
- 2.4 **“Low Income Person or Household”** shall mean a person or household whose income does not exceed eighty percent (80%) of the Orlando MSA published annually by HUD and distributed by FHFC, adjusted for family size.
- 2.5 **“Moderate Income Person or Household”** shall mean a person or household whose income does not exceed fifty percent (120%) of the Orlando Metropolitan Statistical Area (“MSA”) Median Income published annually by the United States Department of Housing and Urban Development (“HUD”) and distributed by Florida Housing Finance Corporation (“FHFC”), adjusted for family size.
- 2.6 **“Project Completion” or “Completion Date”** shall mean when the home is sold and title has been transferred to an eligible homebuyer.
- 2.7 **Orlando Metropolitan Statistical Area (“MSA”)** shall include the counties of Orange, Lake, Seminole, and Osceola counties in the State of Florida as well as the municipalities within their respective jurisdictions.
- 2.8 **“Project Loan”** shall mean funding provided by NLP to nonprofit developers for the construction of affordable, owner-occupied homes.

- 2.9 **“Loan-to-Value” Ratio** shall mean the ratio of the loan amount compared to the dollar value of the property that serves as collateral. The maximum loan-to-value ratio as completed will be determined based on each property, but may not exceed 1:1 in order to minimize risk to the County.
- 2.10 **“As-Improved” Appraised Value** shall mean, if rehabilitation or new construction work is to be performed on the property, then an appraisal by a licensed fee appraiser will document the improved value; “improved value” refers to the total value of a property, including the value of the land, and any improvements made on it.
- 2.11 **“Improvements”** shall mean all buildings, fixtures, structures, and appurtenances to be constructed upon the land including grading and other site and off-site work, landscaping and any and all other improvements in accordance with the Plans and Specifications.
- 2.12 **“Project”** shall mean an Agency’s construction or rehabilitation of affordable, owner-occupied homes using Project Loan funds.
- 2.13 **“Program”** shall mean the County’s engagement of NLP to provide administrative services and construction loans to non-profit developers in constructing or developing affordable homes for low-income homebuyers in Orange County as described throughout this Agreement.

Section 3. Scope of Services and Program Guidelines.

- 3.1 The County shall refer qualified HDAs wishing to acquire, construct, and/or rehabilitate affordable homeownership units to NLP. The HDAs must meet the minimum criteria of NLP to be eligible for a project loan as part of this program. NLP’s project loan application periods as part of this program may be closed from time to time, based on the availability of funds.
- 3.2 NLP shall evaluate the Agencies for capacity, capability, financial strength, ability to complete the project within a given timeframe, and development experience. NLP shall review HDA applications and recommend approval or denial to the County. RLF loans will be extended to County-approved Agencies based on NLP’s evaluation criteria in amounts not to exceed \$800,000.
- 3.3 Project-eligible properties must be located within Orange County, Florida, and may be located in either incorporated or unincorporated areas. Development is limited to attached or detached owner-occupied homes. Mobile homes are not eligible. Property sales price cannot exceed the maximum sales price as stated in Orange County’s State Housing Initiatives Partnership (SHIP) Program Local Housing Assistance Plan (LHAP) or appraised value, whichever is lower. NLP will underwrite loan applications for particular properties from approved agencies and make a recommendation of approval or denial to the County. The County will respond to NLP within 5 business days.
- 3.4 Eligible homebuyers may not have household incomes that exceed 120% of the area median income.

- 3.5 NLP shall recommend a course of action and a final loan amount to the County after careful review of the application and the appraisal.. NLP's recommendation must conform to NLP's standard underwriting criteria.
- 3.6 NLP shall provide on-going project quality monitoring for the affordable homes during the construction phase that are approved and supported by the County.
- 3.7 NLP shall require proof of insurance and payment of real estate taxes by the HDAs. NLP shall maintain all documentation related to the Program and allow the County to review the documentation at any time. All records created or maintained by NLP pursuant to this Agreement are subject to public inspection under Florida's public records law (Article I, Section 24, Constitution of the State of Florida and Chapter 119, Florida Statutes). Accordingly, NLP shall:
 - 3.7.1 Keep and maintain public records required by the County to perform the service.
 - 3.7.2 Upon request from the County, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the amount set by the County.
 - 3.7.3 Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Agreement's term and following completion of this Agreement if NLP does not transfer the records to the County.
 - 3.7.4 Upon completion, or termination, of this Agreement, transfer, at no cost, to the County all public records in possession of NLP or keep and maintain public records required by NLP to perform the service in accordance with Florida law.
 - 3.7.5 If NLP transfers all public records to the County upon completion of the Agreement, NLP shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If NLP keeps and maintains public records upon completion of this Agreement, NLP shall meet all applicable requirements for retaining public records in accordance with applicable federal and Florida law.
 - 3.7.6 All records stored electronically shall be provided to the County, upon request from the County, in a format that is compatible with the information technology systems of the County.

IF NLP HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, AS TO NLP'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, NLP SHALL CONTACT THE COUNTY'S HOUSING AND COMMUNITY DEVELOPMENT DIVISION AT (407) 836-5150, HOUSING@OCFL.NET, AND 525 E. SOUTH ST., ORLANDO, FL 32801

Section 4. Project Loans.

- 4.1 NLP shall make Project Loans in accordance with the terms and conditions of the Program Guidelines and this Agreement.
- 4.2 **Term and Rate.** The interest rate for this Program shall be 1.5%. The County may adjust the interest rate at any time. NLP may only provide the HDAs with 12 months to complete the project, unless the County grants an extension. Construction interest must be billed monthly and must be paid from the HDA's RLF account. The principal is due when the property is sold. NLP shall return the principal to the County's RLF fund, which must be maintained by NLP; alternatively, NLP shall return the principal directly to the County, at the County's discretion and upon the County's request. NLP may retain all interest from the loan to cover servicing costs. NLP shall ensure that principal payments are returned to the County's RLF within 20 days of repayment unless the County requests direct return of the funds. NLP may extend the loan one time for 6 months. Any additional extensions must be approved by both NLP and the County. At the option of the County, extensions may come with an adjustment in the interest rate.
- 4.3 The County shall have the option to require (in writing) that NLP return RLF funds, excluding funds that are already committed to existing projects, at any time during the term of this Agreement. NLP will remit any repayment of RLF monies to the County within 30 days of the required written notice.
- A. **Security.** NLP shall secure the loan through the first lien mortgage, collateral assignment of rents, leases, and profits filing on furniture, fixtures, and equipment.
 - B. **Guaranty.** The County will assume all risk of the loan transaction as the County will provide the funds for the transaction.
 - C. **Loan-to-Value.** The loan amount provided by NLP under this Agreement may not exceed the total "As-Improved" value of the property.
 - D. **Loan-to-Cost.** The loan amount may not exceed the total costs associated with the acquisition and rehab/construction cost of the home.
 - E. **Prepayment Penalties.** NLP shall allow HDA to accelerate payments of loan balance without HDA incurring a financial prepayment penalty.
 - F. **Minimum Loan.** The minimum RLF loan amount by NLP shall not be less than \$150,000 per unit.
 - G. **Maximum Loan.** The total maximum RLF loan amount by NLP shall not exceed \$800,000.
 - H. **Pre-sale Units.** A Unit subject to a contract prior to completion of construction will be allowed.
 - I. **Sources of Financing.** The total Project costs must equal the Project's total sources of financing, with all sources identified and the name of the funding source and the dollar amount documented.
 - J. **Maximum Value and Cost Exclusion.** If economic conditions change in the neighborhood, community, or nation, the County and NLP may mutually agree to allow a project to go through that exceeds Article C and D above.

Section 5. Fees.

- 5.1 **Application & Origination Fee.** NLP shall collect a \$1,000 per property application fee from all Agencies that are granted a loan application: \$500 must be paid at the time an application is submitted, and \$500 must be paid at loan closing (if applicable). NLP may also charge the HDA a 1% origination fee to cover NLP's costs in underwriting and closing the loans. Origination and application fee can be paid out of RLF. The County will pay 50% of the origination fee out of the RLF, and the HDA shall pay the remainder.
- 5.2 **Draw Fee.** NLP shall charge each HDA applying for a Project Loan a draw administration fee of up to \$150.
- 5.3 **Other.** If the transaction requires utilization of third parties, the HDA must pay all such costs, inclusive of a flood determination fee and all standard and reasonable financing and construction fees.

Legal expenses related to work that is necessary to complete the Project Loan or enforce the Project Loan will be borne by the County. Legal counsel selected by NLP shall be approved by the County. This does not include title work and loan related costs (i.e., recording, documentary stamps, title insurance, etc.), which shall be paid by the RLF.

Unpaid property taxes and liens are also eligible expenses, but those expenses shall be calculated when the property is underwritten for eligibility.

Section 6. Funding and Method of Payment.

- 6.1 The County has allocated a total amount not to exceed **THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000.00)** to be used by NLP to make Project Loans and provide services in accordance with the terms and conditions of the Program Guidelines and this Agreement.
- 6.2 Project Loans shall be made in accordance with the Program Guidelines in Exhibit A.

NLP (as set forth in the Program Guidelines) shall notify the County's Housing and Community Development Division in writing not less than ten (10) working days prior to the scheduled closing of an approved Project Loan and NLP shall request funds along with a preliminary closing statement from the title company and a copy of the draft note and mortgage. It is acknowledged that the proposed mortgage amount will include the construction cost, soft costs, and a ten-percent (10%) contingency amount, and title fees may change at closing. The County will then disburse the requested amount of funds for the subject closing to NLP no less than three (3) business days prior to the scheduled closing provided that the County approves of the Project. Sums not disbursed at closing and retained for disbursement to the borrower in periodic draws and separately accounted for in NLP's financial accounting and shall be so disbursed in accordance with NLP's loan administration procedures and as set forth in the Program Guidelines.

All disbursement records and any other documents related to loan services by NLP shall be fully documented and retained by NLP for five (5) years after the satisfaction of the loan to which the documents relate or at the conclusion of any claim, audit, or litigation commenced and not concluded prior to the end of that five year period, so as to be available, at the request of the County, for inspection or audit in accordance with the provisions of this Agreement and applicable law.

- 6.3 The repayment and disposition of interest and principal payments made by each borrower to NLP shall be as follows:
- A. NLP shall deposit all loan payments in an interest-bearing account; and
 - B. NLP shall retain the interest received from loan repayments; and
 - C. The principal will be maintained by NLP, and any interest received from those payments will be retained in the RLF; and
 - D. NLP shall immediately deposit the Project Loan funds into an interest bearing escrow account with a bank selected by NLP. All interest earned in the account shall be used by the program and the remaining funds will be paid back to the County once the agreement is expired or terminated; and
 - E. The County reserves the right to require (in writing) NLP to return RLF funds at any time during the term of this Agreement. NLP will remit any repayment of RLF funds to the County within 30 days of the required written notice.
- 6.4 The County shall pay NLP for costs and expenses associated with the enforcement of Project Loan documents, including legal fees and expenses of counsel retained by NLP, and, upon foreclosure of the property or acceptance of a deed in lieu of foreclosure, the reasonable expenses incurred by NLP in holding such property as agent for the County for ultimate sale or other disposition as the County may direct, including property taxes and assessments, insurance, demolition of unsafe structures on the property, compliance and other costs, including reimbursement of amounts advanced by NLP to pay taxes and insurance, demolition and compliance costs.
- 6.5 Any funds not disbursed to NLP by the termination of this Agreement shall be retained by the County.

Section 7. Termination.

- 7.1 **Term of Agreement.** The term of this Agreement shall be for three years beginning with the date of full execution of the Agreement by all parties. This Agreement shall automatically renew for an additional one-year period under the same terms and conditions unless otherwise terminated or amended. The loan servicing of all new loans made under this Agreement survives termination of this Agreement unless cancelled by the County or NLP.
- 7.2 **Termination.** Either party may terminate this Agreement without cause upon thirty (30) days prior to the renewal date by written notice of intent to terminate, delivered by certified mail, return receipt requested, or in person with proof of delivery.

If NLP breaches any provision of this Agreement and fails to cure such breach within thirty (30) days after written notice thereof, the County may terminate or suspend this Agreement in whole or in part immediately upon the completion of the applicable cure period. However, if such breach is not a breach of fiduciary duty or an unauthorized or improper use of Grants and cannot be cured within thirty (30) days, the County, at its option, may extend the cure period provided NLP

begins such cure within the thirty (30) day period and diligently prosecutes such cure to completion within the extended period.

7.3 **Effect of Termination or Suspension.** After receipt of a notice of termination or suspension from the County's Housing and Community Development Division, and except as otherwise directed, NLP shall:

- A. Cease making any commitments of funds in the loan account to the extent specified in the notice of termination or suspension.
- B. Immediately return all uncommitted funds to the County, including the balance of funds in the loan account.
- C. Prepare all necessary reports and documents required under the terms of this Agreement, and any other Agreements with the County in which NLP is servicing a particular loan, including the semi-annual financial report of usage/income of Project Loan funds and the annual financial report, showing required information up to the date of termination.
- D. Take any other reasonable actions related to the termination of this Agreement as directed in writing by the County.

Termination or suspension of this Agreement does not prevent NLP from funding any Project Loans that have been legally committed as of the effective date of such termination or suspension and will not affect the right or responsibility of NLP to enforce the terms of any outstanding Project Loan or mortgage, unless termination or suspension is for a breach of fiduciary duty, an unauthorized use of Grants or any other unlawful acts.

Section 8. Assignment and Subcontracts.

- 8.1 The parties deem the services to be rendered by NLP to be personal in nature. Except for engagement of a third party to review appraisal reports, NLP may not assign or subcontract any rights or duties under this Agreement to any other party without prior written permission of the County.

Section 9. Compliance with Laws and Regulations.

- 9.1 In the performance of this Agreement, NLP shall comply with the rules and regulations of the Program as well as laws and regulations pertaining to the State of Florida and the County Program, and with those county, state, and federal laws, ordinances, rules, regulations, and resolutions of governmental authorities described in Exhibit B attached hereto and made a part hereof (the "Governmental Requirements").

Section 10. Indemnification.

- 10.1 NLP shall indemnify, defend, and hold the County and all of the County's elected officials, agents and employees, harmless from any claim, loss, damage, cost, charge, or expense, including attorney's fees and costs, arising out of any act, action, neglect, or omission caused directly or indirectly by NLP or NLP's officials, agents, or employees during the performance of this Agreement or work performed thereunder. Notwithstanding the foregoing, NLP shall have no obligations under

this Article to indemnify or hold any person harmless from any violation of law, negligence or willful act by the County or any of the County's elected officials, agents or employees.

Any person seeking indemnification hereunder shall give NLP timely notice of and shall forward to NLP each and every demand, notice, summons or other process, any other writing received with respect to any claim or legal proceedings within the purview of this Agreement, or, if such claim is oral, a written summary thereof. In the event that any action or proceeding is brought against any person with respect to which indemnity may be sought under this Agreement, NLP upon written notice from such indemnified party (which notice shall be given within an appropriate time period so as not to impair NLP's rights or ability to defend or make claims regarding any such proceeding), shall assume the investigation and defense of the action or proceeding, including the employment of counsel selected by NLP, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in NLP's sole discretion; provided, however, that such indemnified party shall have the right to review and approve or disapprove any such compromise or settlement (which approval shall not be unreasonably withheld or delayed). Any person who has made a claim for indemnification under this Agreement shall cooperate with NLP in the investigation and defense of such claim.

- 10.2 This provision shall also pertain to any claims brought against the County by any borrower under Project Loans serviced by NLP for the County pursuant to this Agreement when such borrower alleges a breach of fiduciary, legal or other duty of NLP relating to said Project Loan.

Section 11. Insurance Requirements.

NLP's obligations under this provision shall not be limited in any way by NLP's limit of or lack of sufficient insurance protection.

All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida, have at least an "A-" policyholder's rating, and a financial rating of at least Class VIII in accordance with the most current Best's Key Rating Guide and which are satisfactory to the County.

General Liability. NLP shall maintain, during the life of this Agreement, commercial general liability, including contractual liability insurance in the amount of \$1,000,000 per occurrence and a general aggregate of \$2,000,000 to protect NLP from claims for damages which may arise from any operations under this Agreement, whether such operations be by NLP or by anyone directly employed by or contracting with NLP.

The general liability insurance to be maintained by NLP shall specifically include the County as an "Additional Insured" for the purposes of this Agreement. Prior to the issuance of any notice(s) to proceed, NLP shall provide the County with certified copies of all insurance policies referred to in this Agreement.

Professional Liability Insurance. NLP shall maintain, during the life of this Agreement, professional liability insurance, including errors and omissions insurance in an amount of \$1,000,000 to protect NLP from claims or damages

relating to acts or omissions by any Director, Officer, employee or agent, which may arise from any operations under this Agreement.

NLP shall not fund any Project Loans under this Agreement until NLP has obtained proof of all insurance from Agencies as required by the County for each Project Loan as set forth in Exhibit "C" and will ensure that all the insurance will be the type, amount, and classification as required for strict compliance with this Section and that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the NLP. Compliance with the foregoing requirements shall not relieve NLP of NLP's liability and obligations under this Agreement.

Section 12. Reports and Records.

- 12.1 **General Records and Project Loan Records.** NLP shall keep orderly and complete records of NLP's accounts and operations related to the matters contemplated by this Agreement and shall keep these records open to inspection by County personnel at reasonable business hours during the entire term of this Agreement plus five (5) years after the termination date of this Agreement. At a minimum, NLP shall keep and make available to the County for inspection pursuant to the terms of this Agreement a file on each Project Loan, including all loan documentation, and records of the funds deposited in the loan account and the disbursements from such account. If any litigation, claim or audit is commenced prior to the expiration of the five-year period and extends beyond such period, the records shall be maintained until all litigation, claims or audit findings involving the records have been resolved. Any person duly authorized by the County shall have full access to and the right to examine any of said records during said period.
- 12.2 **Program Annual Report.** NLP shall maintain all records regarding the Property and disbursement and repayment of the Project Loan. All records shall be retained for the period required by this Agreement.

NLP shall maintain income records related to funds loaned under this Agreement and shall submit financial reports of the usage and income of Project Loan funds to the County annually. In addition, NLP shall submit an annual financial report within one hundred twenty (120) days after each fiscal year during which this Agreement is in effect. Such report must be audited by an independent certified public accountant retained and paid by NLP. NLP shall also provide to the County a compliance report, by October 31 of each calendar year the following information for each owner-occupied project that received funds for the period ending September 30.

- A. The number of people served by income, age, family size and race and data regarding any special needs populations such as farm workers, rural residents and the elderly.
- B. The number of units, which have been issued a certificate of occupancy and the average cost of producing units.
- C. All sources of subsidy used in the Project, such as federal, state or local grants.

- D. Loans disbursed or expended per the County definition. If the funds are subject to other reporting requirements and the County notifies NLP, NLP shall use its best efforts to comply with such other reporting requirements as well.

Section 13. Compliance with Applicable Laws.

- 13.1 **Civil Rights.** NLP shall not discriminate against any employee or person served on account of race, color, sex, age, religion, ancestry, national origin, handicap or marital status in the performance of this Agreement.
- 13.2 **Applicable Laws.** NLP shall comply with all applicable federal, state and local laws, rules, regulations and order in the performance of its duties hereunder.
- 13.3 **Licenses and Permits.** NLP shall obtain and possess throughout the term of this Agreement all licenses and permits applicable to its operations under federal, state and local laws and shall comply with all fire, health and other applicable regulatory codes.

Section 14. Independent Contractor Relationship.

- 14.1 NLP is, and shall be, in the performance of all work, services and activities under this Agreement, an independent contractor, and not the employee, agent or servant of the County. NLP does not have the power or authority to bind the County in any promise, agreement or representation other than as specifically provided for in this Agreement. NLP shall be responsible to the County as all the work or services performed by NLP or any person or firm engaged by NLP to perform work in fulfillment of this Agreement.
- 14.2 The County shall not be liable to any person, firm, or corporation who contracts with or who provides goods or services to NLP in connection with the services it has agreed to perform or for debts or claims accruing to such parties against NLP, and there is no contractual relationship, either expressed or implied, between County and any other person, firm or corporation supplying any work, labor, services, goods, or materials to NLP as a result of its services to County hereunder.

Section 15. Miscellaneous.

- 15.1 **Amendments.** Any alterations, variations, modifications or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing, duly signed by the legally authorized representative of both parties, and attached to the original of this Agreement. The parties agree to renegotiate this Agreement if revision of any applicable laws or regulations make changes in this Agreement necessary.
- 15.2 **Entire Agreement.** This Agreement contains all of the terms and conditions agreed upon by the parties. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.
- 15.3 **Unavoidable Delay.** County funds provided under this Agreement shall be expended by NLP within a reasonable time frame for the completion of each Project. Neither party shall be liable for any failure of or delay in the performance

of its obligations under this Agreement to the extent that such failure or delay is due to circumstances beyond said party's reasonable control, nor shall any such failure or delay give the other party the right to terminate this Agreement. Each party shall use its best efforts to minimize the duration and consequences of any failure of or delay in performance resulting from such event.

- 15.4 **Validity and Enforceability.** If any court finds any part of this Agreement invalid or unenforceable, such invalidity or unenforceability shall not affect the other parts of this Agreement. If rights and obligations of the parties contained herein are not materially prejudiced and if the intentions of the parties can continue to be effected, this Agreement is declared severable.
- 15.5 **NLP Liability.** NLP shall exercise its duties hereunder according to industry standards and shall uphold a standard of care applicable to similarly situated underwriting organizations. Notwithstanding the foregoing, neither NLP nor NLP's members shall be liable to the County for any loss or expense resulting from any Project Loan or default hereunder unless such default or loss is a direct result of gross negligence or willful misconduct on the part of NLP. NLP employees shall refrain from personal business activity that may conflict with proper execution of the fiduciary responsibilities to the County under this contract.
- 15.6 **Enforcement.** Any enforcement procedures under any Project Loan, with prior County approval, may be taken by NLP for the benefit of the County so long as the County has agreed to pay reasonable cost of any such enforcement proceeding, including attorney fees and costs. Alternatively, the County may make its own enforcement proceedings for any Project Loan.
- 15.7 **E-Verify Use and Registration Certification.** Pursuant to Section 448.095, Florida Statutes, NLP must certify that NLP is registered with, and uses, the E-Verify system to verify the work authorization status of all newly hired employees. NLP must further certify that that NLP does not employ, contract with, or subcontract with an unauthorized alien, and shall provide an affidavit affirming this prior to the effective date of this Agreement. These certifications shall be satisfied by the HDA's execution of the E-Verification Certification attached to this Agreement as Exhibit D. Violation of Section 448.095, Florida Statutes, may result in the immediate termination of this Agreement pursuant to this Agreement's Termination section.
- 15.8 **Sovereign Immunity.** Nothing contained in this Agreement shall constitute a waiver of the County's sovereign immunity provisions or protections pursuant to Section 768.28, Florida Statutes.
- 15.9 **County Liability.** Unless otherwise explicitly stated in this Agreement, in no event shall either party be responsible to the other for any indirect damages, incidental damages, consequential damages, exemplary damages of any kind, lost goods, lost profits, lost business, or any indirect economic damages whatsoever regardless of whether such damages arise from claims based upon contract, negligence, tort (including strict liability or other legal theory), a breach of any warranty, or a breach of term of this Agreement.

Without waiving any of the provisions or protections under this Agreement or pursuant to Florida law, under no circumstances shall the County be liable to the HDA under any contract, negligence, strict liability, or other legal or equitable theory for any amounts in excess of those limits per claim and per occurrence set

forth for tort liability in Section 768.28 of the Florida Statutes, which limits are hereby made applicable to all manner of claims against the County related to this Agreement and are not confined to tort liability.

15.10 **Scrutinized Companies.** By executing this Agreement, NLP certifies that it is eligible to bid on, submit a proposal for, or enter into or renew a contract with the County for goods or services pursuant to Section 287.135, Florida Statutes.

15.10.1 Specifically, by executing this Agreement, NLP certifies that it is not on the Scrutinized Companies that Boycott Israel List, created pursuant to Section 215.4725, Florida Statutes, and that it is not engaged in a boycott of Israel.

15.10.2 Additionally, if this Agreement is for an amount of one million dollars (\$1,000,000) or more, by executing this Agreement, NLP certifies that it is not: (a) On the "Scrutinized Companies with Activities in Sudan List" or the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List," created pursuant to Section 215.473, Florida Statutes; or (b) Engaged in business operations in Cuba or Syria.

15.10.3 The County reserves the right to terminate this Agreement immediately should NLP be found to: (a) Have falsified its certification of eligibility to bid on, submit a proposal for, or enter into or renew a contract with the County for goods or Services pursuant to Section 287.135, Florida Statutes; or (b) Have become ineligible to bid on, submit a proposal for, or enter into or renew a contract with the County for goods or Services pursuant to Section 287.135, Florida Statutes, subsequent to entering into this Agreement with the County.

15.10.4 If this Agreement is terminated by the County as provided in this subsection, the County reserves the right to pursue any and all available legal remedies against NLP, including but not limited to the remedies as described in Section 287.135, Florida Statutes, and NLP may be paid only for the funding-applicable work completed as of the date of the County's termination.

15.10.5 Unless explicitly stated in this subsection, no other damages, fees, or costs may be assessed against the County for its termination of the Agreement pursuant to this Section.

15.11 **Anti-Human Trafficking.** By executing this Agreement, NLP certifies that NLP does not use coercion for labor or services, as those terms are defined in Section 787.06, Florida Statutes. Pursuant to Section 787.06, Florida Statutes, NLP shall provide the County with an affidavit signed by an officer or representative of NLP under penalty of perjury attesting that NLP does not use coercion for labor or services. The affidavit signed by NLP must be in a form substantially similar to the "**Human Trafficking Affidavit**" published on the County's Forms and Resources website at ocfl.net/VendorServices/FormsandResources.aspx and available from the County's Procurement Division via email at Procurement@ocfl.net. The County's Human Trafficking Affidavit is hereby incorporated into this Agreement by reference. If NLP fails to sign the affidavit as required by this Paragraph and Section 787.06, Florida Statutes, then the County may immediately terminate this Agreement.

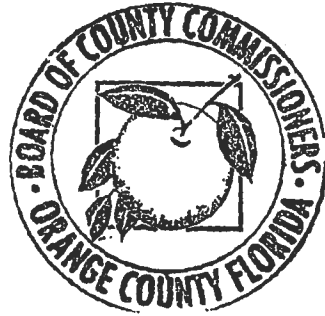
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[Signatures on Following Pages]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials.

ORANGE COUNTY, FLORIDA

BY: Board of County Commissioners



BY: *Jerry L. Demings*
for Jerry L. Demings
Orange County Mayor

Date: December 3, 2024

ATTEST: Phil Diamond, Orange County Comptroller
As Clerk of the Board of County Commissioners

BY: *Jennifer Ann - Kinety*
Deputy Clerk

**NEIGHBORHOOD LENDING
PARTNERS OF FLORIDA, INC.,**

By: M Fellows
Mary Fellows, EXP/COO

Date: 10-15-24

STATE OF FLORIDA,
Hillsborough) S.S.
COUNTY OF ORANGE)

Personally appeared before me, the undersigned authority Mary Fellows well known to me and known by me to be the EXP/COO of Neighborhood Lending Partners of Florida, Inc., a Florida non-profit corporation, and acknowledged before me that she was duly authorized so to do. She is personally known to me or has produced _____.

WITNESS my hand and official seal in the County and State last aforesaid this 15 day of October, 2024.

Cody Larsen
Notary Public

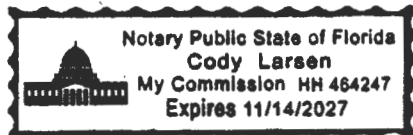


EXHIBIT A
PROGRAM GUIDELINES

PURPOSE

A. NLP General Review Guidelines.

1. **Review of HDA:** NLP will perform an initial review of the HDA. Thereafter, only an annual update of the HDA will be required, unless the County requests an interim investigation or analysis, or NLP determines that an additional review is necessary.
2. **Appraisal Requirements:** Current appraisal by an appraiser that has been pre-approved by the NLP. If rehabilitation work is to be performed on the property, the appraisal will document an "As-Is" value and an "As-Improved" value based upon the deficiency report and improvement plan that has been completed by the HDA and reviewed by a third-party inspector. If a new construction project is required, then plans and costs will also be reviewed by a qualified third party. An appraisal review will be conducted by NLP staff. If a third-party review is needed, then the HDA will be required to pay a fee, which can come from RLF if approved by the County and if the property is approved for the Program.

A third-party inspector must provide an initial inspection and a deficiency report for the required rehabilitation/construction work. For a final draw, a third party inspector must document that all prescribed work has been completed.

The appraisal must be reviewed for compliance as part of the compliance program administered by NLP.

3. **Rehabilitation/Construction Risk Management:** NLP shall ensure that all construction or rehabilitation work is conducted under the supervision of the HDA. NLP shall ensure that before loan closing, the HDA completes the work write-up or construction plans, establishes the construction cost estimate, manages the bids from the contractors, and upon selection of the contractor schedules the closing for the particular property.

B. Documentation Required for Each Closing.

Funds advanced to NLP by the County 10 days prior to closing will equal the amount loaned to the HDA. At the time of closing, NLP will require the following documents from Agencies for each closing:

Documents required for each closing are:

- 1) Promissory Note
- 2) Mortgage
- 3) Collateral Assignment of Rents (If applicable)
- 4) Loan Agreement (Construction/ Rehabilitation)
- 5) [Intentionally Omitted]
- 6) Patriot Act Form
- 7) Insurance Anti-Coercion statement

- 8) Agency's authorization
- 9) Further Assurance and Compliance Agreement
- 10) W9
- 11) Corporate resolution
- 12) Termite Inspection Report (if required)
- 13) Survey
- 14) Title Policy
- 15) Proof of insurance from Owner

C. Draw Requirements.

Prior to and/or concurrent with the first draw request and subsequent draws, the following must be provided:

- 1) Owner's affidavit
- 2) Contractor's affidavit
- 3) Copy of Building Permit together with all other required permits and approvals
- 4) Draws shall be paid at 25%, 50%, 75% and 100% completion
- 5) Copies of invoices for soft costs, if applicable
- 6) Evidence of current General Liability and Workers' Comp from Contractor
- 7) Partial Unconditional Waivers from the subcontractors
- 8) Inspection report by a 3rd party for percentage of work completed
- 9) Copy of recorded Notice of Commencement (NOC)
- 10) Other documents may be required specific to each project

Prior to the final draw request the following must be provided:

- 1) If new construction, Final Surveys (three originals)
- 2) Certificate of Occupancy or Completion
- 3) Final Unconditional Lien Waivers from subcontractors. Payments may be made directly to subcontractors or suppliers if necessary, if lien waivers contingent on final payment forms are signed.
- 4) Final Contractor's Affidavit
- 5) Final Owner's Affidavit
- 6) Final Inspector's Report
- 7) Hazard Insurance Policy, if not previously provided.
- 8) Other documents may be required specific to each project

All affidavits must be properly completed and fully executed. No advances are anticipated under this program. However, requests for advances can be made and shall be considered by NLP and the County under special circumstances. Reimbursements for non-constructed related expenses are not considered advances.

D. Other Responsibilities of NLP

NLP shall house, store and maintain all loan documentation in accordance with County record retention policy and all fundamental documents will be maintained in fire-proof cabinets. In addition, NLP will scan and download all files in a secure site to allow easy access by Orange County staff as needed. Upon request, all loan documentation will be returned to Orange County.

NLP shall collect loan payments and allocate funds to the appropriate servicing accounts and make all appropriate remittances to the County RLF within 20 days of collection.

NLP shall maintain all accounts held on behalf of the County in Federal Deposit Insurance Corporation (FDIC) insured custodial or trust accounts for the County. If at any time the amounts in the accounts exceed the maximum limits of the insurance provided by FDIC, the Servicer shall transmit an amount due to the County to reduce the account under the maximum limits of the insurance or move to another account.

NLP shall service delinquent accounts of Agencies, including, but not limited to, sending notices as required by the loan documents and implementing all appropriate collection procedures. Collection procedures should include, for accounts over 30 days past due, a phone call with the borrower. NLP may retain late fees collected, after the County, principal and other applicable fees, if any, have been paid. All costs associated with collecting and liquidating the collateral, including attorney fees, will be paid by the County.

In the event NLP forecloses on a transaction, the Servicer shall provide documents and other information in its files regarding the transaction and testify on the County's behalf. If NLP is requested to provide additional services related to the foreclosure, the payment for such services shall be negotiated prior to proceeding.

NLP shall ensure that during the existence of the loan, all buildings and improvements making up the collateral are insured as required by the loan documents for the benefit of the County and NLP against loss or damage by fire and from such other insurable risks and hazards specifically set forth in the mortgage and other loan documents. In the event the borrower fails to maintain such insurance in full force and effect, and upon the written authorization of the County, such insurance shall be maintained by NLP, subject to County approved payment from the RLF to NLP. NLP shall retain and safely store, service and continually maintain all such policies and documents related thereto as required herein.

NLP shall review any amendment to, or renewal of, property insurance policies to include, but not limited to general liability, flood (if applicable), and replacement cost hazard insurance, with special attention to exclusions of coverage, including mold, sinkholes, and windstorms.

NLP shall provide semi-annual trial balances to the County for each loan, identifying the current loan balances and accrued and unpaid interest of all Revolving Loans in NLP's portfolio being serviced on for the County. NLP shall provide amendments from time to time which identify all delinquent accounts, and/or default issues.

New non-compliance issues must be reported with the past dues for three consecutive months, and then moved to the annual report. All issues that deal with a total lapse in coverage must be reported monthly until coverage is secured.

E. **Public Subsidy Allowed:** The Program will allow other forms of public subsidy and will assume the debt position necessary to make the transaction feasible.

F. **NLP certifies that:**

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress or a member of the Florida Legislature, an officer, or employee of the Florida Legislature in connection with any state grant, the making of any state loan, the entering into of any 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; and
2. No funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, an employee of a member of Congress or officer or employee of any agency, member of the Florida Legislature or an employee of the Florida Legislature in connection with this state contract grant, loan or cooperative agreement in connection with this application the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

EXHIBIT B

GOVERNMENTAL REQUIREMENTS

The following are statutory, rule or code references to all Governmental Requirements to be met by NLP in the performance of this Agreement, including audit requirements, if the funding is provided by the State Housing Initiatives Partnership Program or the HOME Investment Partnership Program .

- William E. Sadowski Act of 1992
- State Housing Initiatives Partnership Program, Florida Statutes 420.9071-.9079
- F.A.C. Chapter 67-37 (to which all provisions from former Chapter 91-37 were transferred)
- 24 CFR Part 570.502
- 24 CFR Part 570.611
- 24 CFR Part 92 (HOME Program)
- Sections 11.45 and 216.349, Florida Statutes, and Chapter 10.550, Rules of the Auditor General
- Section 1352, Title 31, U.S. Code
- Title VII of the 1964 Civil Rights Act, as amended
- Florida Civil Rights Act of 1992, as amended
- F.S. 287.03(l)(g) relating to Public Entity Crimes
- F.S. 287.133(3)(a)
- Housing and Economic Recovery Act 2008

EXHIBIT C
INSURANCE

NLP shall ensure that each borrower is contractually required to comply with the following terms and conditions:

- A. The HDA/Contractor agrees to maintain on a primary basis and at its sole expense, at all times throughout the duration of this contract the following types of insurance coverage with limits and on forms (including endorsements) as described herein. These requirements, as well as the NLP's review or acceptance of insurance maintained by the HDA/Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by The HDA/Contractor under this contract.
- B. The HDA/Contractor shall require and ensure that each of its sub-contractors/consultants providing services hereunder (if any) procures and maintains until the completion of their respective services, insurance of the types and to the limits specified herein.
- C. Insurance carriers providing coverage required herein must be licensed to conduct business in the State of Florida and must possess a current A.M. Best's Financial Strength Rating of A-Class VIII or better.
 - 1. **Workers' Compensation:** The HDA/Contractor shall maintain coverage for its employees with statutory workers 'compensation limits and no less than \$100,000 each incident of bodily injury or disease for Employers' Liability.
 - 2. **Commercial General Liability:** The HDA/Contractor shall maintain coverage issued on an ISO form *CG 00 01 12 04* or its equivalent, with a limit of liability of not less than \$1,000,000 per occurrence. The HDA/Contractor further agrees coverage shall not contain any endorsement(s) excluding or limiting Product/Completed Operations, Contractual Liability, or Separation of Insureds. The General Aggregate limit shall either apply separately to this contract or shall be at least twice the required occurrence limit.
 - 3. **Business Automobile Liability:** The HDA/Contractor shall maintain coverage for all owned; non-owned and hired vehicles issued on ISO form *CA 00 01* or its equivalent, with limits of not less than \$500,000 per accident. In the event the HDA/Contractor does not own automobiles, the HDA/Contractor shall maintain coverage for hired and non-owned auto liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy.
 - 4. **Professional Liability (if applicable):** NLP shall maintain professional liability (errors and omissions or medical malpractice) coverage with limits of not less than \$1,000,000 per occurrence. Risk Management may decrease the limit to \$500,000 per occurrence for small not-for profit human services agencies.

Builder's Risk Insurance or Hazard Insurance – Proof of insurance shall be provided to NLP and the County by the HDA or Contractor the specific location in an amount which is calculated taking in consideration the total amount of the loans, the replacement cost of the structure and the total construction costs in the AIA Policy

must also include windstorm and sinkhole coverage acceptable to the Lender. NLP and the County must be listed as mortgagee/loss payee on the property. Address listed above shall be used.

Flood Insurance. If the property is in a flood zone, proof of flood insurance is required; insurance coverage shall be in an amount calculated using the FEMA's guidelines. NLP, 3615 W. Spruce St., Tampa, FL 33607, must be listed as mortgagee. A copy of the Declaration Page must be provided.

5. When a self-insured retention or deductible exceeds \$100,000 the County reserves the right to request a copy of NLP's most recent annual report or audited financial statement. For policies written on a "Claims-Made" basis, the HDA/Contractor agrees to maintain a retroactive date prior to or equal to the effective date of this contract. In the event the policy is canceled, non-renewed, switched to occurrence form, or any other event which triggers the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this contract, the HDA shall agree to purchase the SERP with a minimum reporting period of not less than two years. Purchase of the SERP shall not relieve the HDA/Contractor of the obligation to provide replacement coverage.
 6. By entering into this Project Loan the HDA/Contractor agrees to provide a Waiver of Subrogation in favor of NLP and the County for each policy required herein. When required by the insurer or should a policy condition not permit the HDA/Contractor to enter into a pre-loss agreement to waive subrogation without an endorsement, then the HDA/Contractor shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others endorsement.
 7. NLP agrees to endorse the County as an Additional Insured with a CG 20 26 Additional Insured - Designated Person or Organization endorsement, or its equivalent to all commercial general liability policies. The additional insured shall be listed in the name of **Orange County, Florida**.
- D. Any request for an exception to these insurance requirements must be submitted in writing to NLP for approval.

Prior to execution and commencement of any operations/services provided under this Project Loan, NLP shall ensure that certificates of insurance are current and include all required coverage. For continuing service contracts renewal certificates shall be submitted upon request by either NLP or its certificate management representative. The certificates shall clearly indicate that the HDA/Contractor has obtained insurance of the type, amount and classification as required for strict compliance with this insurance section. No material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to NLP. Certificates shall specifically reference the respective contract number. The certificate holder shall read:

Orange County Board of County Commissioners
Housing and Community Development Division
525 E. South Street
Orlando, FL 32801

Neighborhood Lending Partners of Florida, Inc.
3615 W Spruce Street
Tampa, FL 33607

**EXHIBIT D
E-VERIFICATION CERTIFICATION**

NAME OF CONTRACTOR: NLP (referred to herein as "Contractor")

ADDRESS OF CONTRACTOR: 3415 W. Spruce St., Tampa, FL 33607

The undersigned does hereby certify that the above-named contractor:

1. Is, or will be, registered with and using the E-Verify system prior to execution of the contract with Orange County; or
2. Is, or will be, registered with the E-Verify system prior to execution of the contract with Orange County, but does not have any employees and does not intend to hire any new employees during the period of time that the contractor will be providing services under the contract; or
3. Is, or will be, registered with the E-Verify system prior to execution of the contract with Orange County, but employs individuals who were hired prior to the commencement of providing labor on the contract and does not intend to hire any new employees during the period of time that the contractor will be providing labor under the contract.

The undersigned acknowledges the use of the E-Verify system for newly hired employees is an ongoing obligation for so long as the contractor provides labor under the contract and that the workforce eligibility of all newly hired employees will be properly verified using the E-Verify system.

In accordance with Section 837.06, Florida Statutes, Contractor acknowledges that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties shall be guilty of a misdemeanor in the second degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

AUTHORIZED SIGNATURE: M. Fellows

NAME: M. Fellows

TITLE: EVP / COO

DATE: 10/15/24