

Third Substantial Amendment to FY 2025-2026 Annual Action Plan Neighborhood Stabilization Program (NSP-3)

Summary of the proposed changes

Orange County, FL receives federal funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG). As a recipient of federal funds, the County is required to develop an Annual Action Plan that identifies specific activities that Orange County intends to pursue through the CDBG, HOME, ESG, and other state and local housing and community development programs, to address the objectives identified in the 2022-2026 Orange County Consolidated Plan. The FY 2025-2026 Action Plan was approved by the Board of County Commissioners on August 5, 2025, and it covers the period starting October 1, 2025, through September 30, 2026.

The Neighborhood Stabilization Program (NSP) was created by the Housing Economic Recovery Act of 2008 to respond to the rising residential foreclosures and property abandonment, and to stabilize communities negatively impacted by foreclosures. Orange County received two allocations of NSP funds (NSP-1 and NSP-3) that were used for the following activities: 1) acquire, rehabilitate, and re-sell foreclosed homes to income-qualified buyers; 2) provide financial incentives to homebuyers of foreclosed homes; 3) acquire and rehabilitate foreclosed multifamily housing. The County is currently in the process of closing out both of the NSP programs, in accordance with HUD requirements and guidance.

The Orange County Citizen Participation Plan requires a substantial amendment to an approved Action Plan when there is a change that adds a new activity. Recently, the County submitted a substantial amendment to FY 2025-2026 Action Plan to transfer program income from the NSP-3 Program, in the amount of \$589,930.22 to the CDBG Program, to be expended on CDBG-eligible activities.

In accordance with requirements of the Citizen Participation Plan and 24 CFR Part 91.505, the County is submitting another substantial amendment to its FY 2025-2026 Annual Action Plan to update the amount of the NSP-3 program income to **\$620,215.45**, to include any future program income generated by the NSP-3 Program, and to identify specific CDBG-eligible activities such program income will be spent on. More specifically, the funds are proposed to be spend on the Homeowner Single Family Rehabilitation Program, which offers rehabilitation services and home repairs for very low- and low-income homeowners in Orange County.

AP-05 Executive Summary (note: updated language)

2. Summarize the objectives and outcomes identified in the Plan

The County is currently in the process on closing out both of the NSP programs, in accordance with HUD requirements and guidance. The Federal Register Notice (FR-5933-N-01), which was published on June 14, 2016, revised requirements and the treatment of the NSP program income for all three rounds of allocations by allowing NSP program income received by a CDBG recipient to be transferred by the recipient from the NSP program to the CDBG program. After the transfer is carried out, any transferred program income will be subject to the CDBG program income regulations.

In accordance with requirements of the Citizen Participation Plan and 24 CFR Part 91.505, the County is submitting a another substantial amendment to its FY 2025-2026 Annual Action Plan to ~~transfer of program income the NSP-3 Program, in the amount of \$589,930.22, to the CDBG Program. The re-allocated funds will be expended on the CDBG-eligible activities to address the needs, priorities and goals identified in the 2022-2026 Orange County Consolidated Plan to~~ update the amount of the NSP-3 program income to \$620,215.45, to include any future program income generated by the NSP-3 Program, and to identify specific CDBG-eligible activities such program income will be spent on. The re-allocated funds will be expended on the County's Homeowner Housing Rehabilitation Program, which offers rehabilitation services and home repairs for very low- and low-income homeowners in Orange County.

4. Summary of Citizen Participation Process and consultation process

To comply with requirements of the Citizen Participation Plan, the County will post a public notice summarizing the proposed changes and noting a 30-day review and comment period on its website and in a newspaper of general circulation. Upon request, the County will also make copies of the proposed substantial amendment available to citizens and groups. All comments received in writing during the established public comment period will be considered in preparing the final substantial amendment. A summary of any accepted comments or views, and a summary of any comments or views not accepted and the reasons for, will be attached to the substantial amendment. Upon conclusion of the public comment period, the substantial amendment must be submitted to the Board of County Commissioners for approval, and then submitted to HUD through the IDIS for the final approval.

The public comment period for the proposed 1st amendment begins began on December 1, 2025, and ~~will ended~~ on December 30, 2025. The public comment period for the proposed 3rd amendment begins on August 31, 2026, and will end on September 30, 2026.

AP-12 Participation (note: new language)

Citizen Participation Outreach (Table)

Table 1 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
9	Internet Outreach	Non-targeted/Broad Community	A public notice regarding the updated amount of the NSP-3 program income transfer into the CDBG program and the proposed use of funds was posted on the Housing and Community Development Division website: https://www.ocfl.net/Neighbors/Housing/CommunityDevelopment.aspx	(to be completed at close of public comment period)	Not applicable
10	Newspaper Ad (8/30/26)	Non-targeted/broad community	A public notice informing the public about the availability of the 3 rd substantial amendment and the public comment period dates was published in	(to be completed at close of public comment period)	Not applicable

			Orlando Sentinel on August 30, 2026.		
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AP-15 – Expected Resources (note: updated language)

Introduction:

The County is currently in the process of closing out its Neighborhood Stabilization Program (NSP), in accordance with HUD requirements and guidance. With this third substantial amendment to FY 2025-2026 Action Plan, the NSP-3 program income, in the updated amount of ~~\$589,930.22~~ \$620,215.45, ~~to include any future program income generated by the NSP-3 Program,~~ is being transferred to the CDBG program.

It is anticipated that 100% of the re-allocated NSP-3 program income will be used for CDBG-eligible activities, ~~to include homeowners housing rehabilitation. Such activities might include capital and infrastructure projects, housing projects, or public services. The re-allocated funds will be expended to address the needs, priorities and goals identified in the 2022-2026 Orange County Consolidated Plan.~~

Table 2 - Expected Resources – Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available	Expected Amount Available Remainder of ConPlan \$	Narrative Description
CDBG (NSP-3 Program Income)	public-federal	Housing Public Improvements Public Services	\$589,930.22 <u>\$620,215.45</u>	\$0	The re-allocated NSP-3 program income will be used for CDBG-eligible activities, <u>to include homeowners housing rehabilitation</u> to address the needs, priorities and goals identified in the 2022-2026 Orange County Consolidated Plan.

AP-35 Projects (note: update language)

Project Summary Information (Table)

13	Project Name	2025 CDBG Reprogrammed Funds (NSP-3 Program Income)
	Target Area	County-wide
	Goals Supported	Transform low to moderate income communities into resilient communities Expand and preserve housing affordability, safety and stability for low to moderate-income households and vulnerable populations

	Needs Addressed	Capital Improvements Public Services Housing Affordability and Condition
	Funding	CDBG/NSP-3 PI: \$589,930.22 <u>\$620,215.45</u>
	Description	The County is currently in the process of closing out the Neighborhood Stabilization Program (NSP). The NSP-3 program income, in the amount of \$589,930.22 <u>\$620,215.45</u>, to include any future program income generated by the NSP-3 Program, is being transferred to the CDBG program. It is anticipated that 100% of the re-allocated NSP-3 program income will be used for CDBG-eligible activities. The re-allocated funds will be expended to address the needs, priorities and goals identified in the 2022-2026 Orange County Consolidated Plan.
	Target Date	9/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	Location of projects is within Orange County boundaries.
	Planned Activities	The funding will be spent on CDBG-eligible activities, which might include capital and infrastructure improvement projects, housing projects, or public services. More specifically, <u>\$620,215.45, and any future program income generated by the NSP-3 Program, will be spent on the Homeowner Housing Rehabilitation Program to provide home repairs for very low to low-income homeowners in Orange County. The County utilizes CDBG, HOME, state SHIP, and local AHTF funds for the Housing Rehabilitation Program. The program focuses primarily on seniors and individuals with disabilities. Rehabilitation activities include: 1) Minor home repairs assistance; 2) Major rehabilitation; 3) Demolition & reconstruction; and 4) Emergency repairs.</u>