

General NSP2 Policy Guidelines for Acquisition, updated November 30, 2010

NSP2 ELIGIBLE USE	Eligible Use B - Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties	Eligible Use C - Establish land banks for homes and residential properties that have been foreclosed upon	Eligible Use D - Demolish blighted structures	Eligible Use E - Redevelop demolished or vacant properties as housing
NSP2 Foreclosure Status	Foreclosed Abandoned If meets both definition of Abandoned or Foreclosed, Property defined as Foreclosed	Foreclosed	Not Applicable because acquisition ineligible cost	Foreclosed of Non-residential Property Abandoned of Non-residential Property Non-Foreclosed Non-Abandoned
Zoning / Property Type for Acquisition	Homes Residential Properties	Homes Residential Properties	Not Applicable because acquisition ineligible cost	Any Demolished or Vacant Property as long as Planned End Use is housing
Planned Use	Residential rehabilitation or redevelopment from Feb 11, 2010 through Feb 10, 2013	Site Assembly and Land Banking for Future Redevelopment, most likely after Feb 10, 2013	Not Applicable because acquisition ineligible cost	Residential rehabilitation or redevelopment from Feb 11, 2010 through Feb 10, 2013
Maximum Sales Price for Houses to be sold to Homebuyer	Total Development Costs (TDC) or Appraised As-Improved Fair Market Value, whichever is less. Examples: TDC is \$120,000, but Appraised FMV is \$80,000. Maximum Sales Price is \$80,000 TDC is \$60,000, but Appraised FMV is \$80,000. Maximum Sales Prices is \$60,000.	Not Applicable	Not Applicable because acquisition ineligible cost	Total Development Costs (TDC) or Appraised As-Improved Fair Market Value, whichever is less. Examples: TDC is \$120,000, but Appraised FMV is \$80,000. Maximum Sales Price is \$80,000 TDC is \$60,000, but Appraised FMV is \$80,000. Maximum Sales Prices is \$60,000.
Occupancy at Acquisition	Vacant or Occupied, but recommend Vacant	Vacant or Occupied, but recommend Vacant	Not Applicable because acquisition ineligible	Vacant

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NSP2 USE	ELIGIBLE USE B	ELIGIBLE USE C	ELIGIBLE USE D	ELIGIBLE USE E
<p>Recommended Acquisition Strategy</p>	<p>Foreclosed: REO Mortgage Listings, Short Sales, Deed in Lieu of Foreclosure, Bulk Purchase, and Tax Foreclosures.</p> <p>Tax Foreclosures are those currently owned by City or Land Bank or To Be Acquired. To Be Acquired are those acquired from April 9, 2010 through February 10, 2013</p>	<p>Foreclosed: REO Mortgage Listings, Short Sales, Deed in Lieu of Foreclosure, Bulk Purchase, and Tax Foreclosures.</p> <p>Tax Foreclosures are those currently owned by City or Land Bank or To Be Acquired. To Be Acquired are those acquired from April 9, 2010 through February 10, 2013</p>	<p>Not Applicable because acquisition ineligible</p>	<p>Currently owned by City or Land Bank but do not meet definition of Foreclosed or Abandoned</p> <p>Negotiated voluntary sale with private seller</p>
<p>25% Low-income Set-aside Requirement</p>	<p>Eligible for Set-aside Requirement</p>	<p>Not Eligible</p>	<p>Not Eligible if Demolition ONLY or Demolition with Land Banking</p> <p>However, meets Set-aside and included in TDC if redeveloped as housing under Use E by Feb 10, 2013.</p>	<p>Eligible for Set-aside Requirement</p>
<p>ACQUISITION DUE DILIGENCE</p>				
<p>URA Voluntary Acquisition</p>	<p>City acquires then URA Voluntary Acquisition Letter Form for those with power of eminent power</p> <p>Land Bank acquires then URA Voluntary Letter Form for those without power of eminent power</p>	<p>City acquires then URA Voluntary Acquisition Letter Form for those with power of eminent power</p> <p>Land Bank acquires then URA Voluntary Letter Form for those without power of eminent power</p>	<p>Not Applicable because acquisition ineligible</p>	<p>City acquires then URA Voluntary Acquisition Letter Form for those with power of eminent power</p> <p>Land Bank acquires then URA Voluntary Letter Form for those without power of eminent power</p>
<p>Purchase Discount</p>	<p>1% Discount from FMV of Foreclosed Residential Property or Homes</p> <p>No Discount for Abandoned Residential Property or Homes</p>	<p>1% Discount from FMV of Foreclosed Residential Property or Homes</p>	<p>Not Applicable because acquisition ineligible</p>	<p>No Discount Required</p>
<p>Environ. Review</p>	<p>Site-specific Environmental Review Record</p>	<p>Site-specific Environmental Review Record</p>	<p>Not Applicable because acquisition ineligible</p>	<p>Site-specific Environmental Review Record</p>

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NSP2 USE	Eligible Use B	Eligible Use C	Eligible Use D	Eligible Use E
Vacant Property	None required, but complete Tenant Protections Checklist	None required, but complete Tenant Protections Checklist	Not Applicable because acquisition ineligible	None required, but complete Tenant Protections Checklist
Appraisal	<p>Foreclosed: Must be completed within 60 days prior to entering Final Purchase Agreement</p> <p>Foreclosed: URA-compliant, As-is Appraisal for Residential Property or Homes at or exceeding \$25,000 in fair market value</p> <p>Foreclosed: Market Valuation (Sales Comparables or Double State Equalized Value (SEV)) of Homes or Residential Property</p> <p>Abandoned: No Appraisal or Market Valuation requirements, but demonstrate reasonableness</p>	<p>Must be completed within 60 days prior to entering Final Purchase Agreement</p> <p>URA-compliant, As-is Appraisal for Foreclosed Residential Property or Homes at or exceeding \$25,000 in fair market value</p> <p>Market Valuation (Sales Comparables or Double State Equalized Value (SEV)) of Foreclosed Homes or Residential Property</p>	Not Applicable	No Appraisal or Market Valuation requirements, but documentation demonstrating reasonableness, for acquisition of vacant or demolished property to be redeveloped as housing.

TENANT PROTECTIONS

<u>Foreclosed prior to Feb 17, 2009</u>	<p>Tenant Protections Checklist</p> <p>Deed of Foreclosure demonstrating <u>foreclosed</u> prior to Feb 17, 2009</p>	<p>Tenant Protections Checklist</p> <p>Deed of Foreclosure demonstrating <u>foreclosed</u> prior to Feb 17, 2009</p>	Not Applicable	None required, but complete Tenant Protections Checklist to demonstrate property is vacant and non-foreclosed
<u>Foreclosed on or after Feb 17, 2009 and homeowner/ mortgagor is only occupant</u>	<p>Tenant Protections Checklist</p> <p>Only acquire vacant property, but if <u>foreclosed</u> property occupied, then document proving that former Homeowner/ Mortgagor is only one occupying unit</p>	<p>Tenant Protections Checklist</p> <p>Only acquire vacant property, but if <u>foreclosed</u> property occupied, then document proving that former Homeowner/ Mortgagor is only one occupying unit</p>	Not Applicable	None required, but complete Tenant Protections Checklist to demonstrate property is vacant and non-foreclosed
<u>Foreclosed on or after Feb 17, 2009 and Bona Fide Tenant Occupancy</u>	<p>Tenant Protections Checklist</p> <p>Only acquire vacant, but if <u>foreclosed</u> and occupied, then document:</p> <p>Bona Fide Lease of Tenant</p> <p>Notice of Foreclosure to Tenants (see Acquisition Policy on how to determine date)</p> <p>Notice to Vacate after End of Lease Term or at least 90 days to vacate (whichever is greater)</p>	<p>Tenant Protections Checklist</p> <p>Only acquire vacant, but if <u>foreclosed</u> & occupied, then document:</p> <p>Bona Fide Lease of Tenant</p> <p>Notice of Foreclosure to Tenants (see Acquisition Policy on how to determine date)</p> <p>Notice to Vacate at End of Lease Term or 90 days to vacate (whichever is greater)</p>	Not Applicable	None required, but complete Tenant Protections Checklist to demonstrate property is vacant and non-foreclosed