



STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)
LOCAL HOUSING ASSISTANCE PLAN (LHAP)

FISCAL YEARS COVERED

2013/2014

2014/2015

2015/2016

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I. PROGRAM DESCRIPTION:

A. Name of the participating local government and Interlocal:

City of Fort Lauderdale

Interlocal: Yes _____ No X _____

Name of participating local governments in the Interlocal Agreement:

N/A

B. Purpose of the program:

Creation of the Plan is for the purpose of meeting the housing needs of the very low, low and moderate-income households, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan:

X 2013/2014

X 2014/2015

X 2015/2016

D. Governance:

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37.007 Florida Administrative Code. The SHIP Program does further the housing element of the local government Comprehensive Plan. Program regulations require local governments be in compliance with applicable statute and rules. Cities and counties must be in compliance with these applicable statutes and rules, 420.907-9079 F.S. and Chapter 67-37 F.A.C.

E. Local Housing Partnership:

SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

F. Leveraging:

The Plans are intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input:

Public input was solicited through advertisement on the City of Fort Lauderdale's website and was reviewed by the City's Affordable Housing Advisory Committee.

H. Advertising and Outreach:

The City of Fort Lauderdale will advertise its notice of funding availability in newspapers of general circulation, at least 30 days before the beginning of an application period. If no funding is available due to a waiting list, no notice of funding availability is required.

I. Discrimination:

In accordance with the provisions of ss.760.20-760.37, the City of Fort Lauderdale SHIP program does not discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the application or award process for eligible housing.

J. Support Services and Counseling:

Support services are available from the City of Fort Lauderdale's Housing and Community Development Division, and various non-profit agencies. Services may include, but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Foreclosure Counseling and First Time Homebuyer Housing Counseling.

K. Purchase Price Limits:

The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 95% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used by the City of Fort Lauderdale is:

- Independent Study
- U.S. Treasury Department: Revenue Proclamation 2011-23-**\$386,202.60**
- Local HFA Numbers

The purchase price limit for new and existing homes is shown on the Housing Delivery Goals Charts.

L. Income Limits, Rent Limits and Affordability:

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 35 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), F.S. However it is not the intent to limit an individual household's ability to devote more than 35% of its income for housing. Housing for which a household devotes more than 35% 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 35% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

M. Welfare Transition Program:

Should an eligible sponsor be used, the City of Fort Lauderdale has developed a qualification system and selection criteria for applications for Awards to eligible sponsors, which includes a description that demonstrates how eligible sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process.

N. Monitoring and First Right of Refusal:

In the case of rental housing, the City of Fort Lauderdale staff that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides the same monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored for at least annually for 15 years or the term of assistance which ever is longer unless as specified above.

Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal

to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

O. Administrative Budget

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as **Exhibit A**. These are presented on an annual basis for each State fiscal year submitted.

The City of Fort Lauderdale finds that the monies deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. In accordance with Chapter 67-37, Florida Administrative Code, the cost of administering the plan of the local housing distribution moneys and program income deposited into the trust fund. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.

*The City of Fort Lauderdale has adopted the above findings in the attached resolution, **Exhibit E**.*

P. Program Administration:

Administration of the local housing assistance plan is the responsibility of the City of Fort Lauderdale's Housing and Community Development Division of the Department of Sustainable Development. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program provide in detail the duties, qualification and selection criteria.

Q. Essential Service Personnel:

Define in accordance with Rule Chapter 67-37.002(11) F.A.C. and Section 420.9075(3)(a) FS.

"Essential Services Personnel" Defined as any person in need of affordable housing, who is a permanent employee of a company or organization located within the City of Fort Lauderdale and whose service is considered essential. Examples of this include teachers, community college and university employees, police and fire personnel, emergency services providers and health care providers, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to Section 420.9075(3)(a), FS. For the purposes for the purposes of the SHIP Program, funds are only available to those whose incomes are at or below 120% AMI.

R. Green Initiatives: The City of Fort Lauderdale has incorporated green building initiatives in its Homeownership (New Construction) and its rehabilitation programs.

RFP's for new home construction and scopes of work for rehabilitation projects will contain practices to utilize green building initiatives that may include but are not limited to, Energy Star rated refrigerators and ceiling fans with light fixtures, Energy Star fluorescent light fixtures throughout units, high-efficiency air conditioning units with programmable thermostats, well-insulated exterior walls and ceilings, light colored roofing material, low/no VOC interior paint, light colored exterior paint, utilization of environmentally friendly pesticides, high efficiency low flow and/or dual flushing toilet systems, low-flow shower heads and faucets, durable long-lasting asphalt roof shingles and light colored reflective roofing material, utilization of recycled material for flooring, insulation, counter tops and concrete driveways.

New home construction shall require HVAC ducts to be in conditioned spaces.

Landscaping will utilize drought-tolerant native trees, shrubs and ground cover and will include the preservation of state-protected mature trees. Landscape material shall also be orientated to provide shade and minimal heat gain for new construction of single- family homes.

Rehabilitation projects will include energy efficient impact resistant windows, sealing of all accessible gaps, cracks and holes in building envelopes

Replacement Housing Projects will require contractors to recycle all metals to scrap yards.

II. LHAP HOUSING STRATEGIES:

A. Home Ownership. Homeownership strategies to be utilized during fiscal year **2013/2014; 2014/2015; 2015/2016** (July 1, 2013 to June 30, 2016) SHIP LHAP covers purchase assistance; new construction; fee waiver; foreclosure prevention; first mortgage program; and homeownership development.

1. Purchase Assistance Program

a. Summary of Strategy: The Purchase Assistance Program assists eligible first time homebuyers with a deferred payment loan to be applied towards down payment, closing cost and/or principal reduction for the purchase of eligible owner-occupied housing which includes single family homes, townhouses, condominiums or villas. Eligible housing types under this strategy are **existing** and **newly constructed homes**. A first time homebuyer is an individual who meets any one of the following criteria: An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers); a single parent who has only owned with a spouse while married; an individual who is a displaced homemaker and has only owned with a spouse; an individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; or an individual who has only owned property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award:

Down Payment Assistance: \$75,000

Infill Lots (City owned): Up to \$100,000

e. Terms, Recapture and Default:

Funding will be provided in the form of a fifteen (15) year Deferred Payment Loan at zero percent (0)% interest rate, which will be forgiven at the end of the fifteenth-year after closing. At anytime during the first fifteen (15) years, the loan will become due and payable immediately upon the sale, lease, rent or transfer of title to the property.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership), the entire sum due is payable immediately and interest may be charged at the maximum rate allowed by law. Any SHIP assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

Loan Subordinations will be subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128 and 09-190.

f. Applicant Selection Criteria:

1. Homebuyers must receive a commitment from a first mortgage lender licensed under PART III of Chapter 494, Florida Statutes;
2. Applicants must meet the definition of a First Time Homebuyer as described above.
3. Applicants must receive a Certificate of Housing Counseling from a HUD-certified agency. This certificate is required prior to application.
4. Inspection by licensed home property Inspection Company including termite and roof inspections.
5. All program funds must be used to pay closing costs, down payment; principal reduction and must not be used for debt consolidation, or cash-out to applicant.
6. Applicants will be selected on a first come, first qualified, served basis within the income groups pending funding availability.
7. Mobile Homes and Manufactured Housing will not be assisted.

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

2. New Construction

a. Summary of the Strategy: Designed to enhance and preserve neighborhoods by awarding funds to eligible developers/contractors to construct in-fill housing or development of a single-family home project through the Request for Proposal Process. The selected developer/contractor will construct and sell homes to very low, low or moderate-income persons. In some cases the housing activity will include property deeded to the developer. The program funds associated with the deeded property must accrue to eligible applicants occupying eligible housing within the expenditure timeline allowed by program regulations. Provide assistance in the form of a grant in the maximum amount of up to \$205,000 per unit to a developer for the construction of new affordable single-family housing units (including townhouses and condominiums) for first time homebuyers.

Eligible costs for the developer may include:

- Cost of land with or without structure(s), and related demolition costs. An eligible unit must be built and occupied by an eligible applicant within the expenditure timeline allowed by statute and rule.
- Professional fees such as engineering, architectural, surveying and consulting costs or any other predevelopment costs.
- Infrastructure expenses typically paid by the developer including, streets, roadways, parking areas, sidewalks, pathways, walkways, storm-drainage system; sanitary systems; water supply systems, water mains, connections, hydrants, meters; utilities and utility easements for telephone, cable, electric lines, and rights-of-way; street lighting, infrastructure expenses must be on-site and must be directly related to the housing being assisted with the SHIP funds.
- Payment of all soft costs associated with the development, including but not limited to: preliminary and final plat review, Engineering Service Charges, Recording Fees, Site Plan Review Fees, Minor Review Fees, Surface Water License, Permit to Construct in Right-of-Way, Sewer and Water Installation Fee, Sewer and Water Plan Review, Traffic Study/Action Plan Review, Environmental Impact Review, Surface Water Permit, Land Use Amendment Review, Septic Tank Permit, Well Permit. Payment of Road, Park, Police, Fire and Water and Sewer Impact Fees are also permissible.
- Hard costs typically or customarily treated as construction costs by institutional lenders or any other reasonable hard costs associated or involved with the development and/or construction process.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very-low, low and moderate-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award: \$205,000

e. Terms, Recapture and Default:

The following terms and conditions apply to eligible developers/contractors receiving single-family construction funding. Deferred loans/grants shall be secured by a mortgage lien against the property.

The developer/contractor must ensure that all assisted units are sold to income-eligible buyers at approved affordable prices. A deed shall be recorded for each buyer. Each

deed shall contain a restriction that the buyer must remain an owner-occupant for a fifteen (15) year period. The funds will be provided to the developer/contractor as a deferred loan at zero percent (0%) interest rate to be converted as a principal buy-down of the homebuyer's first mortgage. The mortgage and note shall provide for full repayment from the developer/contractor if the homes are not sold to first come, first certified eligible homebuyers as determined and approved by the City of Fort Lauderdale. In the event the developer defaults on the terms as in not meeting expenditure timelines, all funds provided to the developer shall be returned to the City of Fort Lauderdale.

Eligible homebuyer shall sign a deferred payment loan mortgage and note at zero percent (0%) interest rate. The loan is a fifteen (15) year deferred loan and is forgivable after fifteen (15) years. The mortgage and note shall provide for repayment, which shall be due upon the sale, assignment, or any transfer of title to the property, or refinance unless for purposes of lowering the interest rate. The homebuyer will also be required to sign a Declaration of Restrictive Covenant.

Recapture Terms: Recapture of funds will occur in the event of default (failure to make required payments on loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership). A SHIP assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

f. Recipient "Applicant" Selection Criteria:

1. Applicants will be selected on a first come, first certified, first ready basis, pending funding availability
2. Applicants must not have owned any other residential property for the past three (3) years.
2. The purchaser or lessee of the development is an Eligible Person or Eligible Household.
3. A Restrictive Covenant must be executed by the homeowner and recorded in the Public Records of Broward County, Florida restricting the ownership of an owner-qualified development to an Eligible Person or household for fifteen (15) years.
4. Applicant must use pre-approved lenders.
5. Developer/Contractor must have applicants approved by City of Fort Lauderdale or its assigned sponsor.

h. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

3. Fee Waiver Assistance:

a. Summary of the Strategy: This strategy offsets a portion of the development fees incurred in connection with the development of affordable housing. Funds are provided to the developer to offset these fees. Mobile homes or manufactured homes will not be assisted.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award: Up to \$7,500.00 per unit.

d. Terms, Recapture and Default:

Assistance will be provided in the form of a forgivable loan, with a term of up to 5 years. Eligible persons shall sign a five (5) year zero percent (0%) deferred payment loan mortgage and note.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership, the entire sum is due and payable immediately and interest may be charged at the maximum rate allowed by law. A SHIP assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

Loan Subordinations will be subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128 and 09-190.

f. Recipient "Applicant" Selection Criteria: Recipients "Applicant" will be selected using the following criteria:

1. The development consists of one or more single-family or multi-family dwellings as defined in the ULDR.
2. The purchaser or lessee of the development is an Eligible Person or Eligible Household.
3. A Restrictive Covenant must be executed by the homeowner and recorded in the Public Records of Broward County, Florida restricting the ownership of an owner-qualified development to an Eligible Person or household for fifteen (15) years and lease of multi-family dwellings to a qualified lease development to an Eligible Person or household for fifteen (15) years.
4. Applicants will be selected on a first come, first qualified, first served basis pending funding availability.

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

4. Foreclosure Prevention

a. Summary of the Strategy: Designed to preserve the affordable housing stock throughout Fort Lauderdale. The strategy provides a maximum award of up to \$10,000 to single family homeowners in the form of a deferred payment loan to pay defaulted mortgages where the homeowner is in default at least thirty (30) days. Property must be owner occupied, and homeowner must meet SHIP qualifications and guidelines.

Funds will be used to bring mortgages current, including property taxes, insurance, maintenance payments in foreclosure, special assessments and various other condominium type fees, including legal fees, thereby avoiding foreclosure action. Property taxes and insurance must be escrowed in the payment in order for these costs to be brought current). As part of the application selection process, the staff will review the funding request, factors contributing to the foreclosure action (i.e. loss of employment, loss of income due to illness, divorce, predatory lending, sudden medical expenses, unforeseen major home repairs, etc.) and client's ability to demonstrate they can make future monthly payments. Participants must contribute at least 25% of their own funds towards the amount necessary to reinstate the account.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award: \$10,000

e. Terms, Recapture and Default:

Assistance will be provided in the form of a five (5) year Deferred Payment Loan at zero percent (0%) interest rate, forgiven at the end of five (5) years after closing.

The mortgage and note shall provide for a deferred repayment; however, full repayment is due during the affordability period if the home is sold, there is an assignment, or any other transfer of title of the property, or refinance unless for the purposes of lowering the interest rate.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership), the entire sum is due and payable immediately and interest may be charged at the maximum rate allowed by law. A SHIP assisted project that is terminated before completion, either

voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

Loan Subordinations will be subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128 and 09-190.

f. Recipient Selection Criteria:

1. Income eligible applicants will be selected on a first-come, first qualified, first served basis pending funding availability.
2. Applicants must be very low, low or moderate homeowners and the property must be owner occupied, and homesteaded.
3. The homeowner must demonstrate their ability to make future mortgage payments after assistance is received.
4. Participants can apply only once for Foreclosure Prevention Assistance.
5. Property assessed value as stated on Broward County's Property Appraiser's website may not exceed \$329,268.
7. The applicant must undergo credit/foreclosure counseling from a HUD-approved Foreclosure Counseling Agency prior to receiving assistance.
8. Mobile Homes or Manufactured Housing will not be assisted.

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

5. Homeownership Development

a. Summary of the Strategy This strategy will provide financial assistance to non-profit and for profit builders to encourage the acquisition, development and/or construction of affordable housing. The cost of construction makes it extremely difficult for housing developers to build affordable housing units. SHIP funds may be used for site acquisition, site development, infrastructure improvements, impact fees, demolition costs, construction financing, and other construction related costs. This also includes providing fee waiver assistance to offset a portion of the development fees incurred in connection with the development of affordable housing. The funding may be leveraged with land donated to the developer/non-profit. Funds awarded under this strategy will be encumbered within 12 months and expended within 24 months with the units occupied by eligible applicants

The goal of this strategy is to increase the number of affordable homeownership units available to income eligible persons in Fort Lauderdale. This is achieved through the builder/developer reducing the cost of the home to low-income homebuyers.

b. Fiscal Years Covered: 2013-2014; 2014-2015 and 2015-2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award: \$75,000 per homeowner; \$50,000 per unit up to a maximum of 50 units per developer.

f. Terms, Recapture and Default:

The financial assistance for a developer will be secured with a mortgage and note that shall require repayment at an interest rate of three percent (3%) with a maximum term of thirty years to preserve affordability.

Assisted developments must commit to set aside a minimum number of units for very-low and low-income households based on the amount of assistance provided. The housing must remain affordable, and income eligible persons must occupy all SHIP assisted units during the affordability period.

Recapture of funds will occur in the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership). The Recapture and default provisions require the home remains the primary residence of the applicant. The purchaser's eligibility will be determined by the City and must be verified prior to the sale of the property.

If the home is sold, title is transferred or conveyed to an ineligible buyer, the entire amount of the loan shall become immediately due and payable as Program Income as defined in s.420.9071 (24). In the event of a sale, the City may exercise its right of first refusal to purchase the property at its current market value for continued occupancy by income eligible persons.

f. Recipient "Applicant" Selection Criteria: Developer/contractor of the development will select potential homebuyers for the SHIP assisted units on a first come, first qualified, first served, basis. SHIP recipients must meet all SHIP affordability and income guidelines for the income group. City staff may income-certify all homebuyers for the SHIP assisted units.

Eligible purchasers of the developed units must be very low or low income, and occupy the property as their primary residence.

Eligible applicants must qualify as first time homebuyers and must receive a certificate/notification of homebuyer counseling prior to loan closing.

g. Developer (Sponsor) Selection Criteria: Eligible sponsor means a person or a private or public for profit, not for profit, or governmental entity that applies for an award

under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

Proposed projects will be considered on an ongoing basis subject to funding availability. All applications from Developers and Builders will be evaluated based upon a point scoring system. An application scoring the most points does not guarantee funding of the request, as it is the goal of the City to provide funding for a variety of housing projects in a variety of locations. If staff deems a project “not feasible”, staff reserves the right to recommend no funding for that project stating the reason for such recommendation.

Selection criteria will also consider quality of the proposed development, development costs, development team experience, housing affordability, financial stability, economic viability, successful history of producing similar projects, ability to produce affordable housing within the specified time frames and sensitivity to local housing needs. All SHIP assisted units must be affordable to income eligible households.

Eligible purchasers of the developed units must be very-low or low income, and occupy the property as their primary residence. Management of the development will select potential homebuyers for the SHIP assisted units on a first come, first qualified, first served, basis. Qualification criteria for SHIP recipients must meet all SHIP affordability and income guidelines for the income group. City staff may income-certify all homebuyers for the SHIP assisted units. The City will be responsible for monitoring the project annually for compliance with tenant income and affordability requirements.

Eligible applicants must qualify as first time homebuyers and must receive a certificate of homebuyer counseling prior to loan closing.

g. Additional Information: Other state, federal, private and local funds may be leveraged with SHIP funds.

6. First Mortgage Loan Program (FMLP)

a. Summary of the Strategy: SHIP funds will be made available to income eligible first-time homebuyers with the goal of expanding homeownership opportunities to the targeted income groups. Assistance can be used for first mortgage financing and, closing costs and rehabilitation of the unit to be purchased. If necessary, secondary financing can be provided by private sector financing institutions, other non-profit agencies or governmental financing sources. Multi-unit properties such as duplexes and the like are *ineligible*. Additionally, all mobile and manufactured homes are ineligible.

The goal of this strategy is to assist income eligible applicants with financing in an effort to increase the number of homeowners in the City of Fort Lauderdale.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Extremely Low, Very Low and Low Income.

d. Maximum Award: \$205,000

e. Terms, Recapture and Default:

1. FMLP mortgages will be provided at a fixed interest rate not to exceed 4% (APR of 4.5%).
2. FMLP mortgages will be amortized over a 30 year period
3. FMLP mortgages will be provided as a 30 year fixed rate mortgage
4. The property must remain the primary residence of the applicant for the entire term.
5. If the home is sold, title is transferred or conveyed to an ineligible buyer, or the home ceases to be the primary residence of the applicant during the term of the mortgage, the entire amount of the loan shall become immediately due and payable.
6. In the event of the death of the borrower prior to the end of the term of the mortgage, the outstanding balance becomes immediately due and payable. If the property is inherited by an income eligible heir that meets the requirements of the program, repayment may be waived, if the new homeowner accepts the terms and conditions of the program, including, but not limited to the principal residence requirement. The new owner's eligibility and entitlement shall be determined by the City in its sole discretion and must be requested by the owner within ninety (90) days of the death of the original borrower. Any applicable deed/affordability restrictions will be transferred to the new owner.

h. Additional Information: Other state, federal, private and local funds may be leveraged with SHIP funds. Monthly payments and all funding repaid will come back to the City as Program Income. Underwriting criteria available upon request.

B. Rehabilitation/Replacement Programs. Rehabilitation strategies to be utilized during fiscal year **2013/2014; 2014/2015; 2015/2016**

1. Housing Rehabilitation/Replacement

a. Summary of the Strategy: Rehabilitation of existing homes, including the demolition and reconstruction of a home if it is beyond financial feasibility to repair. Funding level is established to differentiate between the cost to rehabilitate the housing unit and the cost for the full replacement of the housing unit. Emergency Repairs that address conditions that are an immediate threat to the health, safety and welfare of the occupants are also included in this strategy. Assistance may also be provided to pay for the required homeowners, windstorm and flood insurance for up to two (2) years, as part of the rehabilitation/replacement process. Any illegal nonconforming structures (those built without a permit) that are found during the work write-up and/or assessment,

must be addressed before other home repairs are considered i.e. these structures must be brought into compliance with the current Code.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

g. Maximum award: \$205,000

e. Terms of Payment: The following terms and conditions apply to eligible persons receiving home repair assistance funds.

Terms, Recapture and Default Repayment:

Eligible persons shall sign a fifteen (15) year Deferred Payment Loan at 0% interest rate, which will be forgiven at the end of the fifteen-year after closing. At anytime during the first fifteen (15) years, the loan will become due and payable immediately upon the sale, lease, rent or transfer of title to the property or refinance unless for the purpose of lowering the interest rate.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership, the entire sum is due and payable immediately and interest may be charged at the maximum rate allowed by law. A SHIP assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

Loan Subordinations will be subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128 and 09-190.

f. Recipient “Applicant” Selection Criteria: Certified eligible homeowners will be selected on a first come, first qualified, first served basis.

1. Homeowners must own and occupy the property as their principal residence at time of assistance and throughout the life of the loan.
2. Property must have violations of the City’s housing code.
3. Property must homestead.
4. All property taxes must be current.
5. Mortgage payments on the first mortgage must be current.
6. Property assessed value as stated on Broward County Property Appraiser’s website may not exceed **\$386,202.60**.
7. Applicants may not receive assistance more than once.
8. Mobile Homes and Manufactured Housing will not be assisted.

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

2. Utility Connection Payment:

a. Summary of the Strategy: Designed to assist eligible homeowners with sewer connection in neighborhoods identified by the WaterWorks 2011 project where the City is required mandatory sewer connection, and to emergency requests that poses a health hazard to the eligible homeowner. SHIP assistance is to be applied towards the cost of connecting to a water supply and sewage discharge system being installed in those areas.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award: \$10,000

f. Terms, Recapture and Default:

Assistance is provided in the form of a zero percent (0%) interest, deferred payment loan, which is forgivable after three (3) years.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership) the entire sum is due and payable immediately and interest may be charged at the maximum rate allowed by law. A SHIP assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s. 420.9071(24).

Loan Subordinations will be subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128 and 09-190.

f. Recipient Selection Criteria:

1. Income eligible applicants will be assisted on a first-come, first qualified, first served basis, subject to funding availability.
2. The property must be owner occupied and homesteaded.
3. Applicants must be very low or low income to participate.
4. Property assessed value as stated on Broward County Property Appraiser's website may not exceed **\$386,202.60**.

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

3. Special Needs Barrier-Free Housing

a. Summary of the Strategy: Designed to remove barriers, improve accessibility to the elderly (62 years of age or older) and disabled persons, and to provide for health and safety repairs as needed by older and disabled persons to maintain their independence. Health and safety repairs may include repairs unrelated to accessibility and barrier removal.

Eligible uses for barrier removal and home modifications include: Modifications to widen doorways, install accessible doors and hardware, widen halls, kitchens, bathrooms and bedrooms to accommodate mobility aides (canes, walkers, wheelchairs and scooters); grab bars; entry ramps, railings, walkways and landings; non-slip floor surfaces throughout the home environment, may include carpeting; push-able or lever hardware; delayed opening and closing mechanisms on egress and garage doors; interior doors; improved lighting; accessible appliances which include but are not limited to front or touch-type controls; lever faucets; installation of accessible cabinets, shelves, drawers, sinks, toilets, kitchen, bathroom, utility room aquatic therapeutic appliances and fixtures that be installed to an existing swimming pool as prescribed by homeowners existing physician; installation and provision of assisted technology products to increase accessibility in the home environment. Examples are, but are not limited to: roll in style or permanent shower chair, environmental control system and hand held shower, non-slip surfacing on accessible roll-in with or without curb shower; accessible touch-type light switches and thermostats; smoke alarms and fire detectors; and removal of other architectural barriers.

Health and safety and security related repairs include but shall not be limited to the following: roof repair and/or replacement; complete repair or replacement of deteriorated roofing systems to eliminate substandard or unsafe roofing conditions, and to prevent further deterioration, window repair and/or replacement, weatherization, re-wiring, re-plumbing, termite treatment and repair (termite inspection required), interior wall repairs and painting, a/c and heating systems, insulation, repair cracked driveways, repair cracked or hazardous sidewalks.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate

d. Maximum award: \$55,000

e. Terms of Payment:

This assistance is provided in the form of a zero percent (0%) interest, deferred payment loan, which is forgivable after fifteen (15) years.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership) the entire sum is due and payable immediately and interest may be charged at the maximum rate allowed by law. A SHIP assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

Loan Subordinations will be subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128 and 09-190.

f. Recipient Selection Criteria:

1. Income eligible applicants will be assisted on a first-come, first qualified, first served basis, subject to funding availability.
2. Property must be owner occupied by elderly, medically or physically disabled.
3. The property must be owner occupied and homesteaded.
4. Property taxes must be current.
5. Mortgage payments on the first mortgage must be current.
6. Applicants must be very low or low income to participate.
7. Property assessed value as stated on Broward County Property Appraiser's website may not exceed **\$386,202.60**.
8. Applicants may not receive assistance more than once for the same property.
9. Mobile homes and Manufactured Housing will not be assisted.

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

4. Disaster Mitigation Strategy

a. Summary of the Strategy: In the event of a natural disaster (as declared by local, state, or federal government), SHIP funds will be used to leverage available federal and state funds to provide assistance to income eligible households, both homeowners and renters, for the purpose of repairing eligible housing. This strategy will only be implemented in the event of a natural disaster using any funds that not yet been encumbered or additional disaster funds issued by Florida Housing Corporation. Owner occupied assistance beyond the maximum limit allowed under this program may be referred to/processed under the Rehabilitation/Replacement Program. Generally, such needs may include:

- A. Purchase of emergency supplies for eligible households to weatherproof damaged homes

- B. The financial assistance provided to renters will be provided to pay for rental security deposits, which are payable to the landlord and utility deposits and connection fees. Rental assistance will only be provided for the term of the applicable Executive Order.
- C. Interim repairs to avoid further damage, tree and debris removal required to make individual housing units habitable, and post disaster assistance with non-insured repairs
- D. Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies
- E. Payment for rehabilitation of homes with non-insured repairs
- F. Other activities as proposed by the federal government, counties and eligible municipalities and approved by Florida Housing Finance Corporation.
- G. Repairs to roofs in a condominium complex in contingent upon all owners being determined eligible per SHIP Statute 420.9071(10) "Eligible persons". In the event all residents are not income eligible, the non-eligible residents will be responsible for their portion of the cost of repairs.
- H. Mobile homes and Manufactured Housing will not be assisted.

Assistance in the form of a forgivable loan is available to pay for the required homeowners, windstorm and flood insurance for up to two (2) years, as part of the disaster mitigation and recovery process.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low and Moderate Income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

d. Maximum award: \$15,000

e. Terms, Recapture and Default:

Disaster fund assistance shall not exceed \$15,000 and will in the form of a 5-year, 0% interest forgivable loan, when allowable under specific disaster funds policy. Clients requiring assistance above the maximum allowed under this program will be processed through the Housing Rehabilitation/Replacement Strategy up to a maximum allowed under this program. If at any time during the 5-year period the property is sold, refinanced, rented or ceases to be owner-occupied, the recipient shall pay to the City the full balance with no accrued interest.

In the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership) the entire sum is due and payable immediately and interest may be charged at the maximum rate allowed by law. A SHIP assisted project that is terminated before completion, either

voluntarily or otherwise, constitutes an ineligible activity and any SHIP funds invested in the project must be repaid to the City as Program Income as defined in s.420.9071 (24).

Loan Subordinations are subject to the terms and conditions as approved by the City Commission in Resolutions 00-175, 07-128, 08-49 and 09-190.

f. Recipient “Applicant” Selection Criteria:

1. Applicants will be served on a first come, first qualified, first served basis, pending funding availability.
2. Property assessed value as stated on Broward County Property Appraiser’s website may not exceed **\$386,202.60**.
3. Mobile Homes or Manufactured Housing will not be assisted

g. Additional Information: This strategy may be leveraged with CDBG, HOME, other local resources or applicant funds.

C. Rental Programs. Rental strategies to be utilized during fiscal year **2013/2014; 2014/2015; 2015/2016**

1. Multifamily Rental Development

a. Summary of the Strategy: This strategy will provide assistance to developers of affordable rental housing serving very low and low-income households. This also includes providing fee waiver assistance to offset a portion of the development fees incurred in connection with the development of affordable housing. The goal of this strategy is to increase the number of affordable rental housing units available to income eligible persons in the City of Fort Lauderdale. Funds awarded under this strategy will be encumbered within 12 months and expended within 24 months with the units occupied by eligible applicants. SHIP funds may be used for site acquisition, site development, rehabilitation, infrastructure improvements, impact fees or construction related costs. SHIP funds may not be used to pay rental subsidies. Income eligible families must occupy all SHIP assisted units. Rent limits must be in line with SHIP guidelines.

b. Fiscal Years Covered: 2013/2014; 2014/2015; 2015/2016

c. Income Categories to be served: Very Low, Low Income Persons

d. Maximum award: \$20,000 per unit

e. Terms of Payment: The financial assistance can be provided as a “forgivable loan” to non-profit developers and builders; or as a low-interest loan to for-profit developers and builders.

“Forgivable Loans” may be provided only to non-profit developers and builders who have an established track record of affordable housing experience. Also, such “non-profits” must be a certified 501(c)(3) organization and be familiar with municipal development codes and propose housing projects that serve a majority of very low and low-income households. Suitable non-profits must also have an established history of utilizing government funding for the development of affordable/work-force housing. These non-profits must also provide evidence that their by-laws specifically identifies affordable housing development as a goal of the organization. “Non-profits” may also form partnerships with for-profit developers and builders and may receive Forgivable Loans where the resulting project will serve predominantly low and very-low income households. These Forgivable Loans will be forgiven over a twenty (20) year period, in exchange for a certain number of housing units set aside for lower income households over the same twenty (20) year period. If the project ceases to remain affordable for the entire approved affordability period, the entire amount of the SHIP assistance provided will become due and payable as Program Income. Forgivable loans shall not be prorated.

The low-interest loan assistance will be provided to for-profit developers (*and non-profit developers who desire such*) and secured with a mortgage and note that will require repayment at an interest rate of three percent (3%) annually with a minimum encumbrance term of fifteen (15) years to preserve affordability. Assisted developments must commit to rent limits as established by HUD for the term of the mortgage and all other stipulations of the loan agreement. The assisted development must also commit to set aside a minimum number of units for very-low and low income households based upon the amount of assistance provided. The housing must remain affordable, and income eligible persons must occupy all SHIP assisted units during the affordability period. If the project ceases to remain affordable for the term of the loan, the entire unpaid balance is due and payable as Program Income as defined in s.420.9071 (24).

f. Recipient Selection Criteria: City Staff will provide training to property management for selection of income-qualified tenants. City staff on an annual basis may conduct monitoring of tenants and income recertification. Management of the development will select potential tenants for the SHIP assisted units on a first come, first qualified, first served, basis. SHIP recipients must meet all SHIP affordability and income guidelines for the income group. City staff may income-certify all tenants for the SHIP assisted units.

Eligible sponsors that offer rental housing for sale before the fifteen (15) years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

g. Sponsor (Developer/Agency) Selection Criteria: “Eligible Sponsor” means a person or a private or public for profit, not for profit, or governmental agency that applies

for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

Proposed projects will be considered on an ongoing basis subject to funding availability. All applications from Developers and Builders will be evaluated based upon a point scoring system and other community/development factors. An application scoring the most points does not necessarily guarantee funding of the request. Actual funding will also be based upon: availability of funding; project's affordability to low and very-low income households; project's location relative to other government assisted affordable housing projects; project's location relative to existing infrastructure; long-term project maintenance and security; home ownership education and other services for the tenants; and final funding approvals by the City Commission.

It is the goal of the City to provide funding for a variety of housing projects in a variety of locations. If staff deems a project "not feasible," staff reserves the right to recommend no funding for that project stating the reason for such recommendation.

Management of the development will select and place income eligible persons into the SHIP assisted units on a first come, first qualified, first served basis. Qualification criteria for SHIP recipients must meet all SHIP affordability and income guidelines for the income group. The City will be responsible for monitoring the project annually for compliance with tenant income and affordability requirements

h. Additional Information: Other state, federal, private and local funds may be leveraged with SHIP funds.

III. LHAP INCENTIVE STRATEGIES

In addition to Strategy A and Strategy B listed below, list all incentives as provided in 420.9076(4) FS.

A. Name of the Strategy: *Expedited Permitting*

Incentive: The processing of approvals of development orders or permits, as defined in s. 163.3164(15) and (16), for affordable housing projects is expedited to a greater degree than other projects.

Established Policy for Permit Review: City of Fort Lauderdale Ordinance No. C-98-64 was adopted on December 8, 1998 to provide for an expedited permitting process to assist developers of affordable housing in getting through the development review process. The City has identified a position/expeditor who will have the responsibility for expediting applications. The following expedited review processes may include, but shall not be limited to the following:

1. Identify zoning regulations applicable to the proposed development.
2. Oversight of the development will be conducted from application to certificate of occupancy.
3. Referral to the appropriate Broward County government and Broward County school board affordable housing expeditors who have jurisdiction over proposed developments in the city.
4. Assist the applicant with any incomplete portions of the development application.
5. Identify resources, which may assist the applicant in meeting the requirement for development permit approval.

B. Name of the Strategy: *Ongoing Review Process*

Incentive Requirement: The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.

Established Policy and Procedures: In order to ensure that this incentive is met, the City of Fort Lauderdale's Housing and Community Development (HCD) Division shall work closely with the Planning and Zoning Department and serve as staff when proposed changes that will impact the cost of housing are being proposed to the Unified Land Development Regulations. The Planning & Zoning Department reviews and processes applications for site development plans, conditional use permits, plats, and rezoning, among other development requests. The Department also presents development proposals before various boards, including the Planning & Zoning Board, Board of Adjustment, and Historic Preservation Board. The Department implements the goals, objectives, and policies of the City's [Comprehensive Plan](#).

Additionally, HCD will attend the various review board meetings when recommendations on changes that would impact the cost of housing are being discussed. By implementing this process we will ensure that the City Commission is up to date on all discussions and we would offer the appropriate recommendation on all policies, procedures, ordinances, regulations, or plan provision changes that increase the cost of housing before they are adopted.

C. Name Strategy: *Land bank Inventory Strategy*

This strategy is designed to monitor and track all real property that has been appropriated for use as affordable housing in accordance with F.S. 166.0451. The Housing and Community Development Division will maintain a current inventory of all real property that will be monitored and updated as land becomes available and as parcels are released for affordable housing projects.

Affordable Housing Advisory Committee

The City of Fort Lauderdale has established an Affordable Housing Advisory Committee to review its housing policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan of the appointing local government. They will be asked to recommend specific initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The composition of this committee will be in accordance with the F.S. 420.9072 and appointed by the City's Commissioners, the committee members and their terms will be adopted by way of Resolution. If the City is unable to appoint a citizen actively engaged in these activities in connection with affordable housing either because of the presence of a conflict of interest by prospective appointees, or any other reasonable factor, the City will appoint a citizen engaged in the activity without regard to affordable housing, as allowed by statute.

IV. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan. **Exhibit A.**
- B. Timeline for Encumbrance and Expenditure: *Chapter 67-37.005(6)(f) F.A.C.*
A separate timeline for each fiscal year covered in this plan is attached as **Exhibit B.**
Program funds will be encumbered by June 30 one year following the end of the applicable state fiscal year. Program funds will be fully expended within 24 months of the end of the applicable State fiscal year.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan:
Completed HDGC for each fiscal year is attached as **Exhibit C.**
- D. Certification Page:
Signed Certification is attached as **Exhibit D.**
- E. Adopting Resolution:
Original signed, dated, witnessed or attested adopting resolution is attached as **Exhibit E.**
- F. Program Information Sheet:
Completed program information sheet is attached as **Exhibit F.**
- G. Ordinance:
If changed from the original ordinance, a copy is attached as **Exhibit G. N/A**
- H. Interlocal Agreement:
A copy of the Interlocal Agreement if applicable is attached as **Exhibit H.**
N/A