

City of Deltona, Florida

Planning and Development Services, Community Development
SHIP Affordable Housing Programs

AFFORDABLE HOUSING ADVISORY COMMITTEE

Tuesday, November 18, 2014

@ 7:00 p.m.

Deltona City Hall, Commission Chambers
2345 Providence Boulevard, Deltona, FL 32725

AGENDA

- I. Call to Order - Ron Paradise, Assistant Director, Planning & Development Services
- II. Roll Call/ Introductions
- III. "Government in the Sunshine" Laws
- IV. By-Laws / Overview of Process
- V. Policy Matters – background on AHAC and State mandate
- VI. Election of Officers
- VII. Schedule Regular AHAC Meetings For 2014/2015
- VIII. LHAP update and revisions
- IX. Reference Materials
- X. Comments
- XI. Adjournment

NOTE: If any person decides to appeal any decision made by the Affordable Housing Advisory Committee with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings, and for such purpose he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk at least three (3) working days in advance of the meeting date and time at (386) 878-8100.

Dear AHAC member,

Thank you for your participation in the Affordable Housing Advisory Committee (AHAC). The first meeting is scheduled for November 18, 2014 at 7:00 pm at Deltona City Hall in the Commission Chambers. I look forward to meeting you and I would like to give you a little background on the SHIP program and what we hope to accomplish.

The State Housing Initiatives Partnership program (SHIP) provides funds to the City of Deltona to produce and preserve affordable homeownership. The program is designed to serve the very low, low and moderate income families. Funding for this program was established by the passage of the 1992 William E. Sadowski Affordable Housing Act. Funds are allocated on a population-based formula derived from the collection of documentary stamp tax revenues. Actual disbursements are dependent upon these documentary stamp collections.

SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling.

In order to participate, the City of Deltona must establish a Local Housing Assistance Plan with housing incentive strategies; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce housing costs; and ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender.

At the November 18, 2014 meeting, we will be electing officers, reviewing Sunshine Law rules and reading and making recommendations to the current Local Housing Assistance Plan (LHAP). I have enclosed a strike-through version of the LHAP, with staff recommendations in your agenda package. The changes start on page 12 of the document and end on page 16. The City of Deltona is required to follow the State regulations when administering the SHIP program and the LHAP is the City's document that allows us to tailor the program to our local needs. We are specifically seeking guidance regarding the owner occupied repair strategy of the LHAP. What we hope to achieve is the creation of a document that sets clear guidelines and defines the nature of repairs that the City can provide under this strategy. Because the need for owner occupied repair activities in Deltona is great and our funds fall short of meeting that need, we aim to prioritize the most urgent needs with the intent of serving as many residents as we can. Our first priority is to meet the life, health and safety issues of our residents. Please take a moment and read this document before the meeting and come prepared with your comments and suggestions.

At subsequent meetings we will address State mandated issues, such as permitting, zoning, etc. The items are listed in the 2014-2015 Meeting Schedule and Discussion Topics sheet in the enclosed agenda package. Before each meeting, I will provide you with reference materials for you to read and Ron Paradise, Assistant Director of Planning and Development will guide you through the complexity of the regulations. Lastly, I have enclosed a SHIP Frequently Asked Questions document to help you become familiar with the AHAC and the SHIP program.

Please call me if you have any questions or concerns before the November 18, 2014. We greatly appreciated your time and effort for a better Deltona.

Sincerely,

Mari Leisen

Financial Analyst

Enclosures

SHIP Frequently Asked Questions

AHAC Affordable Housing Advisory Committee

Question:

What are the responsibilities of a local Housing Advisory Committee? Is my community required to have this Committee?

Answer:

An Affordable Housing Advisory Committee (AHAC) is appointed by governing board of a local jurisdiction as required by Section 420.9076, F.S. Its purpose is to provide recommendations for strategies to reduce regulatory barriers to developing affordable housing in the community. The statute requires that the recommendations be presented to the local governing body, which must amend the Local Housing Assistance Plan (LHAP) to incorporate Local Housing Incentive Strategies. These strategies must be adopted within one year of adopting the LHAP. Furthermore, every three years, the jurisdiction's AHAC must review the housing incentive strategies in the Local Housing Assistance Plan. They should consider that the SHIP plan may also include other regulatory reforms, such as those enumerated in s. 420.9076 or those recommended by the advisory committee, if they are adopted by the local governing body. There is one exception: local governments that receive the minimum allocation under the SHIP program shall perform an initial review and report in 2008, but may elect to not perform the triennial review thereafter. In such a minimum distribution jurisdiction, the advisory committee could be discharged from service.

Many communities, however, have chosen to maintain their advisory committees and charge them with additional responsibilities. Some committees serve to review new local policies for their impact on the development of affordable housing. Other committees may work with SHIP staff to consider ways to enhance the housing strategies outlined in the Local Housing Assistance Plan. The AHAC in some communities serves as a more formalized version of the local housing partnership of lenders, builders, contractors and citizens that advises on implementation of the LHAP. It becomes an entity that provides the SHIP administrator with input and feedback from the community so that the SHIP program is highly responsive to local needs. Another way the AHAC is used is in the creation of locally adopted guidelines, policies and procedures that the SHIP staff follow to implement the housing strategies. For example, some AHACs have participated in the development of lending guidelines for a down payment assistance program. The implementation of the guidelines and policies is the responsibility of the SHIP Administrator, however. The AHAC should be exclusively advisory, and as such, an AHAC should not play an operational role.

Question:

Please clarify the role of the local affordable housing advisory committee?

Answer:

Section 420.907, Florida Statutes-the SHIP statute- details specific information about the formation, powers and duties, and required membership of the affordable housing advisory committee. Advisory committee members must be appointed by local government resolution, must follow all laws related to government in the sunshine, and has as its specific statutory charge the recommendation of local housing incentive strategies to the local governing body. After the incentive strategies have been recommended, the duties of the Advisory Committee are fulfilled, and the statute makes no further requirements from the local government of the committee. Having no further responsibilities, the local government may sunset the advisory committee, or may elect to maintain the committee for the express purpose of reviewing the implementation of the incentive strategies and recommending additional incentive strategies to expedite the production of additional affordable units. The Florida Housing Finance Agency has stated that if the local government wishes to amend its incentives that were adopted in the original HIP, the advisory committee shall be a part of that process.

Question:

How does the Sunshine Law apply to our SHIP advisory committees?

Answer:

When dealing with advisory committees it is very important to keep in mind the requirements of Florida's open meetings laws. Any Board of County Commission appointed committee that is part of a fact finding commission, or any board or committee that has final decision making authority is covered by these laws. There is a strong legislative and judicial presumption in favor of openness. If you have any questions about these requirements, consult with your city attorney, county attorney, or other appropriate legal counsel.

Question:

Can the County Commissioners approve the incentives and adopt the amendment to the LHAP at the same time or do they have to approve the incentives before adoption into the LHAP?

Answer:

There is nothing in the statute or rule that requires the incentives to be adopted prior to amending your LHAP. However, the incentives that will be adopted may require a Comprehensive Plan Amendment, Ordinance or policy change that will need to be approved by your Board separately. FS 420.9076 states: (6) Within 90 days after the date of receipt of the local housing incentive strategies recommendations from the advisory committee, the governing body of the appointing local government shall adopt an amendment to its local housing assistance plan to incorporate the local housing incentive strategies it will implement within its jurisdiction.

Question:

Is it the approval of the incentives that has to be by resolution or the adoption of the amendment to the LHAP that has to be the resolution?

Answer:

The amendment to the LHAP must be adopted by Resolution.

Question:

When my Commission approves the AHAC incentive plan, does there have to be a public hearing?

Answer:

The statute only requires a public hearing when the Advisory Committee takes its vote on the local housing incentive strategies recommendations. Section 420.9076 (5) of the SHIP Statute provides the following information regarding the public hearing:

“The approval by the advisory committee of its local housing incentive strategies recommendations and its review of local government implementation of previously recommended strategies must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing. Notice of the time, date, and place of the public hearing of the advisory committee to adopt final local housing incentive strategies recommendations must be published in a newspaper of general paid circulation in the county. The notice must contain a short and concise summary of the local housing incentives strategies recommendations to be considered by the advisory committee. The notice must state the public place where a copy of the tentative advisory committee recommendations can be obtained by interested persons.”

The rule and statute do not require an additional public hearing when the Commission votes on the recommendations, so unless your local policy dictates otherwise you can have the incentives adopted by an amending resolution to your Local Housing Assistance Plan during a regular board meeting.

Question:

When we advertise the public hearing for our AHAC incentives, how much notice are we required to give?

Answer:

Both the rule and the statute are silent on this issue, so check to see if you have any local policies that govern advertisement of public hearings. If not, 15 to 30 days notice would provide sufficient time for the public to review the plan and make arrangements to attend.

Question:

What will be required if the AHAC does not make recommendations on changes to the current incentives or recommends new incentives? Also, what if the Board does not adopt any new incentives and keeps the current two required incentives as they currently exist in the LHAP.

Answer:

You must produce an Advisory Committee's report which provides evidence that the incentives listed in 420.9076(4), F.S. have at least been reviewed and the AHAC made the recommendation that no changes be made. This must be provided to FHFC and your City or County Commission. A copy of the report must be submitted to FHFC as outlined by 420.9076 (7):

“The governing board of the county or the eligible municipality shall notify the corporation by certified mail of its adoption of an amendment of its local housing assistance plan to incorporate local housing incentive strategies. The notice must include a copy of the approved amended plan” and 67-37.010 (3) “The county or eligible municipality shall transmit to the Corporation an electronic copy of the report which has been submitted to the local governing board for consideration by May 2 of the year following the report due date.”

Each local government LHAP currently includes the two required incentives. If the local government decides that no new incentives, other than the two required incentives are needed at this time, then no amendment is required. However, if there are changes to the two required incentives including policies or procedures, then a technical revision to the plan to incorporate those changes would be required. In addition, if the local governing body decides to implement any of the other incentives listed in 420.9076, F.S., then an amendment to include the new incentives in the LHAP would be required. By definition of Plan Amendment in 420.9071(22), F.S.: (22) “Plan amendment” means the addition or deletion of a local housing assistance strategy or local housing incentive strategy. Plan amendments must at all times maintain consistency with program requirements and must be submitted to the corporation for review pursuant to s. 420.9072(3). Technical or clarifying revisions may not be considered plan amendments but must be transmitted to the corporation for purposes of notification.”



CITY OF DELTONA, FLORIDA

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

FISCAL YEARS COVERED

2013/2014, 2014/2015, 2015/2016

I. PROGRAM DESCRIPTION

A. Name of the participating local government and Interlocal if Applicable:

City of Deltona, Florida_____

Inter-local: Yes _____ No X

B. Purpose of the Program:

Creation of the LHAP Plan (Plan) is for the purpose of meeting the housing needs of the very low, low, and moderate income households, to expand production of and to preserve affordable housing, and to further the housing element of the local government Comprehensive Plan that is specific to affordable housing.

C. Fiscal Years Covered by the Plan:

2013/2014

2014/2015

2015/2016

D. Governance:

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes (F.S.) and Chapter 67-37 Florida Administrative Code (F.A.C.). The City of Deltona’s Affordable Housing Assistance Program was enacted by the passage of Ordinance 08-2001 on May 1, 2001, and was signed into law on May 7, 2001. Thus, the SHIP Program furthers the Housing Element of the local government Comprehensive Plan.

E. Local Housing Partnership:

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

F. Leveraging:

The Plan is 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 to provide a local match to obtain housing grants or programs.

G. Public Input:

Public input was solicited through in-person meetings with housing providers, social service providers, local lenders, and neighborhood associations. Public input was solicited through the local newspaper through the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach:

The City shall advertise the Notice of Funding Availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the 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, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

J. Support Services and Counseling:

Support services are available from various sources. Available support services may include but are not limited to homeownership counseling (pre and post), credit counseling, tenant counseling, and transportation modes.

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 no earlier than the fourth (4th) calendar year prior to the year in which the award occurs. The sales price of new and existing units, may be lower, but may not be 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

Independent Study (copy attached)

U.S. Treasury Department

Local HFA Numbers

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

Maximum Sales Price: \$280,384.00

L. Income Limits, Rent Limits and Affordability:

The Income and Rent Limits used in the SHIP Program are updated annually from the HUD and distributed by the Florida Housing Finance Corporation. The term “affordable” means that monthly rents or mortgage payments, including taxes and insurance, do not exceed 30% 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. The intent is not to limit an individual household’s ability to devote more than 30% of its income for housing. Housing for a household that devotes more than 30% of its income shall be deemed affordable when the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and, in the case of rental housing, for rents that do not exceed those rental limits adjusted for bedroom size.

M. Welfare Transition Program:

Should an eligible sponsor be used, the City has developed a qualification system and selection criteria for applications for awards to eligible sponsors. This includes a description that demonstrates how eligible sponsors, including those employed personnel from the Florida 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 staff or entity that has administrative authority for implementing the local housing assistance plan for rental developments shall annually monitor and determine tenant eligibility or, to the extent that 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 annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored on an annual basis for a minimum of 15 years or the term of assistance; whichever is longer, unless as specified above.

O. Sponsors:

As an option and for the continued occupancy of eligible persons, eligible sponsors that offer rental housing before the 15-year period of the loan, or have a remaining mortgage funded under this program, must give a right of first refusal to an eligible nonprofit organization for home purchase at the current market value.

P. Administrative Budget:

A detailed listing, including a 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 Deltona finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the Local Housing Assistance Plan.

A county or an eligible municipality may not exceed the 5% limitation on administrative costs, unless its governing body finds by resolution that 5% of the local housing distribution, plus 5% of program income, is insufficient to adequately pay the necessary costs of administering the Local Housing Assistance Plan. 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(17) and eligible municipalities receiving a local housing distribution of up to \$350,000, may use up to 10% of program income for administrative costs.

The City of Deltona has adopted the above findings in the attached resolution. Please see Exhibit E.

Q. Program Administration:

Administration of the local housing assistance plan is the responsibility of the City of Deltona. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program, detail of the duties, and the qualification and selection criteria will be made available.

R. Essential Service Personnel:

The City will operate as defined in accordance with Rule Chapter 67-37.002(8) F.A.C. and Chapter 67-37.005(10), F.A.C. and Section 420.9075(3) F.S.

S. Section 420.9075(3)(d), F.S.:

Green techniques for energy conservation and water conservation include careful use of salvage/recycling processes, preservation of wildlife habitat, healthy environmental provisions, and the usage of durable and sustainable products. This includes the incorporation of high-energy products and materials. Green building techniques, such as those previously mentioned and those described in the City of Deltona's Ordinance No. 42-2008, will be incorporated into the various Deltona SHIP strategies that involve construction/rehabilitation.

T. Homebuyer Education and Counseling:

Homebuyer education and counseling is a service provided by a HUD certified housing counselor in conjunction with the City's Purchase Assistance strategies to assist households in learning about how to purchase a home, maintain a home after purchase, and to prevent future foreclosures. As part of the qualification process, all applicants will be required to attend homebuyer education and maintenance classes. Homebuyer counseling for credit issues and other matters will be provided, as needed, in order to prepare an eligible applicant for homeownership. A minimum of \$2,500 has been set aside in each grant year for this activity to hire outside counselors and other contractors, as deemed necessary.

II. LHAP HOUSING STRATEGIES

A. Purchase Assistance with Potential Rehabilitation Program:

a. Summary of the Strategy:

This strategy assists eligible first time homebuyers with a deferred payment loan to be applied as gap-financing, based on need, towards down payment, closing costs, interest rate buy-down, and/or principal reduction and rehabilitation for the purchase of eligible housing; which includes single family homes, townhouses, condominiums, villas, or State approved manufactured buildings (pursuant to Chapter 553.35 F.S). Eligible housing types under this strategy include existing and newly constructed homes.

b. **Fiscal Years Covered:**
2013/2014; 2014/1015; 2015/2016

c. **Income Categories to be Served:**
Household incomes that are at or below 120% of the area median income adjusted for household size are eligible to be served in the program. For the purposes of the SHIP Program, very low, low and moderate income households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by HUD and distributed by the Florida Housing Finance Corporation. Preference will be given to applicants that are below 50% level.

d. **Maximum Award:**

<u>Income Limit</u>	<u>Max DPA</u>	+	<u>Max Rehab</u>	=	<u>Max Award/ Per Unit</u>
Very Low	\$40,000		\$10,000	=	\$50,000
Low	\$30,000		\$10,000	=	\$40,000
Moderate	\$20,000		\$10,000	=	\$30,000

- e. **Terms, Recapture, and Default:**
- The maximum Down Payment Assistance for this strategy will be provided in the form of a second subordinate mortgage to the first mortgage that has a zero (0%) interest deferred payment, forgivable loan for a term of 30 years. The loan term is 30 years. At the end of 30 years, the loan is forgiven.
 - If a default occurs during a 30-year loan term, the entire balance of the loan is due and payable.
 - When SHIP funds are combined with Florida Housing Finance Corporation Programs for purchase assistance, the SHIP Administrator has the option of allowing the City’s SHIP funds to be awarded as a third mortgage.
 - Mortgage payments, including taxes and insurance, may not exceed 30% of an amount representing the percentage of the annual gross income for the household. No more than 45% of the combined mortgage payment shall include taxes insurance and overall debt.
 - Repairs to the home, if applicable, may not begin until after the closing. Therefore, City SHIP funds will be provided as a subordinate mortgage to the City SHIP funds at zero (0%) interest, deferred

payment, for a forgivable loan upon the five (5) year event.

- The deferred payment forgivable loans shall immediately become due and payable to the City, if any of the following occurs:
 1. Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
 2. Homeowner no longer occupies the unit as their principal residence;
 3. Homeowner dies, or if married couple, the survivor dies; or
 4. Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
 5. An heir may assume the debt as long as they are income eligible and become the owner-occupant.
- Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of the Circuit Court for Volusia County.

f. **Recipient Selection Criteria:**

Funds will be made available on a first come, first qualified, first served basis while funds are available;

- All dwelling units will be within the Deltona city limits;
- HUD defined manufactured homes (mobile homes) are not eligible for assistance;
- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested including income, and other eligibility and qualification parameters; and
- A first time homebuyer is defined as an eligible applicant who has not owned a home within the last three (3) years preceding the application for SHIP assistance. However, someone who has lost his or her home as a result of divorce within the last three years, a single parent, or a very low or low income person living in a substandard dwelling that cannot be brought into compliance with local building codes for less than the cost of constructing a permanent structure, meets the first-time homebuyer definition.
- Applicants must be credit ready and have sufficient income required to obtain mortgage financing from participating lenders;

- Applicants must attend and complete a Homebuyer Education Counseling course provided by or approved by the City.
- A Home Quality Standards (HQS) inspection must be conducted by the applicant's certified housing inspector or the City Housing Program's designated HQS inspector.
- Mortgage payments, including taxes and insurance, may not exceed 30% of an amount representing the percentage of the annual gross income for the household and no more than 45% combined mortgage payment, including taxes, insurance, and overall debt.
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines and City of Deltona requirements, recapture provisions, and certify that the unit assisted will be their principal residence.
- Per Section 420.9075(1)(a), F.S., preference will be given to those eligible recipients with special housing needs, including but not limited to, homeless people, the elderly, migrant farm workers, and person with disabilities; if in accordance with all applicable Federal or State laws.

g. Sponsor Selection Criteria, if applicable:

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising Deltona's purchase and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation, or a community-based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

h. Additional Information:

- Lender Participation Guidelines;
- Institutional first mortgage lender with no private owner financing;
- First mortgages shall be at a fixed rate. The rate may not exceed two (2) points above the current 60-day Fannie Mae par pricing;
- The term of the loan shall be for 30 years;
- Loan origination and broker fees as combined, may not exceed 2% of the sales price;
- The purchase price may not exceed the sales price of the home;
- There is no pre-payment penalty;
- There is "No Cash Back" to the borrower on the HUD-1 Settlement

Statement;

- Funds will be encumbered for eligible applicants whose contracted homes are deemed repairable according to program guidelines; and
- The City or its designee will facilitate the work write up on inspections to ensure that all work is performed by a licensed and insured contractor.

B. Acquisition and Rehabilitation of Homes Program:

a. Summary of the Strategy:

SHIP funds, if consistent with FHFC expenditure guidelines, may be used by the City (not a developer) to acquire and rehabilitate existing homes for low or very low income households. This strategy would be analogous to the City's HUD-funded Neighborhood Stabilization Program (NSP).

Similar to the NSP, the City would buy, rehabilitate, and then sell the homes to qualified applicants. The City would use licensed general contractors that have been selected through the City procurement process to perform the rehabilitation work.

b. Fiscal Years Covered:

2013/2014; 2014/1015; 2015/2016

c. Income Categories to be Served:

Household incomes at or below 80% of the area median income adjusted for household size. For the purposes of the SHIP Program, very low, low and moderate income households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by HUD and distributed by the Florida Housing Finance Corporation. Preference will be given to applicants below 50% level.

d. Maximum Award:

Very Low Income: \$150,000
Low Income: \$150,000

e. Terms, Recapture and Default:

The City of Deltona will provide a forgivable second mortgage, at 0% interest, and a deferred loan for a term of up to 30 years.

Minimum affordability period is:

- 5 Years Assistance: \$0 - \$14,999
- 10 Years Assistance: \$15,000- \$25,000
- 30 Years Assistance: \$25,001 and up

The 0% interest and deferred payment forgivable loans shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, the survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- An heir may assume the debt as long as they are income eligible and become the owner-occupant.
- Mortgage payments, including taxes and insurance may not exceed 30% of an amount representing the percentage of the annual gross income for household; and no more than 45% combined mortgage payment, including taxes insurance and overall debt.
- Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of the Circuit Court for Volusia County.

f. **Recipient Selection Criteria:**

Funds will be made available on a first come, first qualified, first served basis while funds are available;

- All dwelling units will be within the Deltona city limits;
- HUD defined manufactured homes (mobile homes) are not eligible for assistance;
- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested including income, and other eligibility and qualification parameters; and;
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines, City of Deltona requirements, including recapture provisions and certify that the unit assisted is their principal

residence.

g. **Sponsor Selection Criteria, if applicable:**

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

h. **Additional Information:**

- Applicants must be credit ready and have sufficient income required to obtain maximum first mortgage financing from participating lenders;
- Applicants must attend and complete a Homebuyer Education Counseling course provided by or approved by the City.
- A Home Quality Standards (HQS) inspection must be conducted by the applicant's certified housing inspector or the City Housing Program's designated HQS inspector.
- Lender Participation Guidelines:
 1. Institutional first mortgage lender; no private owner financing. First mortgages shall be at a fixed rate.
 2. The interest rate may not exceed two (2) points above the current Fannie Mae par pricing at time of first mortgage closing.
 3. The term of the loan shall be 30 year fixed rate.
 4. Loan origination and broker fees combined, may not exceed more than 2% of the sales price
 5. The purchase price may not exceed the sales price of the home.
 6. No pre-payment penalty;
 7. No Cash Back to borrower on the HUD-1 Settlement Statement.

C. **Owner Occupied Rehabilitation Assistance Program:**

a. **Summary of the Strategy:**

This strategy offers eligible homeowners assistance with needed and program verifiable repairs, and possible alterations to improve their health, and safety., ~~and well-being.~~ Assistance to make a home barrier free for special needs households is also eligible. ~~This strategy also includes reconstruction and demolition if home is not financially feasible to repair.~~

b. **Fiscal Years Covered;**
2013/2014; 2014/1015; 2015/2016

c. **Income Categories to be Served:**
Serviceable categories are for household incomes that are at or below 80% of the area median income adjusted for household size. For the purposes of the SHIP ~~P~~program, very low, and low income households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by HUD and distributed by the Florida Housing Finance Corporation. Preference will be given to applicants below the 50% level. Further, per Section 420.9075(1)(a), F.S., preference will be given to those verified eligible recipients with special housing needs, including but not limited to, the elderly, migrant farm workers, and person with disabilities and in accordance with all applicable Federal or State laws.

d. **Maximum Award:**
Maximum award is as follows:

<u>Income Limit</u>	<u>Maximum</u>
Very Low	\$25,000 <u>30,000</u>
Low	\$25,000 <u>30,000</u>

e. **Terms, Recapture, and Default:**
The City of Deltona will provide a second mortgage deferred payment, zero interest (0%), forgivable loan for a term of up to ~~40~~ 15 years. ~~However, if the award is \$9,999.99 or less, then the award will be considered a grant, and not subject to recapture. The intent of the \$9,999.99 non-recapture award is to facilitate minor or limited repair activity without encumbering a dwelling with a mortgage to achieve a minor repair. However, the Owner Occupied Repair strategy is need based and applicants are only entitled to the least amount of possible award for which they are qualified for.~~

Minimum affordability period is:

5 Years	Assistance	\$10,000	\$14,999
10 Years	Assistance	\$15,000	\$25,000
<u>15 Years</u>	<u>Assistance</u>	<u>\$0</u>	<u>\$30,000</u>

The deferred payment forgivable loan shall immediately be due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, short sale, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if a married couple, the survivor dies;
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage or reverse mortgage;
- An heir may assume the debt, as long as they are income eligible and become the owner-occupant; ~~and~~
- Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of the Circuit Court for Volusia County; and
- Legal fees associated with dispute shall be the responsibility of the homeowner or successor in title.

f. **Recipient Selection Criteria:**

Funds will be made available on a first come, first complete, first served basis, while funds are available:

- All dwelling units will be within the Deltona city limits;
- HUD defined manufactured homes (mobile homes) are not eligible for assistance;
- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested including income, and other eligibility and qualification parameters;
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines, City of Deltona requirements, including recapture provisions and certify that the assisted unit is their principal and only residence/dwelling. Applicants must attend and complete a Homebuyer Education Counseling course provided by or approved by the City; and
- A Home Quality Standards (HQS) inspection must be conducted by the applicant's certified housing inspector or the City Housing

Program's designated HQS inspector.

g. **Sponsor Selection Criteria, if applicable:**

The City of Deltona may choose a sponsor to assist in the administration of this strategy by using the City's purchasing and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation, or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

h. **Additional Information:**

If it is determined by the City of Deltona SHIP Pprogram that the applicant meets income eligibility guidelines, a home inspection and work write-up will be completed by the City or its designee. ~~Applicants whose homes are beyond repair may apply for demolition and replacement.~~

- Funds will be encumbered for eligible applicants whose homes are deemed repairable according to program guidelines;
- The City or its designee will perform a work write up and conduct inspections. All construction will be performed by a licensed and insured contractor;
- All insurance, mortgagees mortgages, taxes, and special assessments must be current and paid;
- All homes eligible for rehabilitation must be owner-occupied with fee simple title encumbered with a first mortgage only. Applicants with second or third mortgages or reverse mortgages will not be eligible;
- ~~Applicants eligible to receive demolition and replacement assistance must have applied to the rehabilitation program and their home declared beyond repair;~~
- ~~Funds will be encumbered for eligible applicants whose lots are deemed buildable according to the program guidelines; and~~
- The City, or its designee, will manage the contractor bid process and inspections to ensure that all work is performed by a licensed and insured contractor.
- If there is a determination that a dwelling will require more than the \$30,000 award to rehabilitate, the applicant will be considered ineligible for Owner Occupied Rehabilitation.
- In no instances shall a client be able to contribute any funds to upgrade materials, work, etc. as part of this strategy.

i. Rehabilitation Prioritization and Standards:

Rehabilitation activities will be prioritized. The first rehabilitation activity shall be the priority with subsequent actions, if warranted, taken as award amounts allow.

- 1) Code Compliance. With regard to unpermitted construction, including unpermitted rooms, porches, etc. restoration back to original condition or demolition of these improvements will be the method of which to address complying with applicable code.
- 2) Roof Work or Replacement. Roofing will be replaced with code compliant asphalt shingles. Metal, tile, etc. will not be an option even if originally constructed with such material.
- 3) Septic Tank/Drain-field. Drain-field repair will not cover the costs of non-code complaint turf and/or landscaping replacement or the costs to repair/replace irrigation systems and/or fences disrupted as a result of septic work. Finally, drain-field repair cannot be used to upsize a septic system as a result of unpermitted room addition(s).
- 4) Heating, ventilation and air conditioning.

Owner Occupied Repair awards shall not be used to fund the following activities: kitchen replacement (cabinets, counter tops, appliances, etc.), interior paint, carpet, fences or other non-structural, non-code related, items.

D. Multi-Family Rental Units, New Construction, & Rehabilitation:

a. Summary of the Strategy:

SHIP funds may be used as part of the local contribution when participating in programs such as, the Low Income Housing Tax Credit (LIHTC) program, State Apartment Incentive Loan (SAIL) program, the State HOME program and other programs, as applicable, when they are used to perform new construction and/or rehabilitation of multi-family rental housing developments. Eligible activities include payment of impact fees, infrastructure expenses, and soft/hard costs.

b. Fiscal Years Covered:

2013/2014; 2014/1015; 2015/2016

c. Income Categories to be served:

Household incomes that are at or below 80% of the area median income adjusted for household size. For the purposes of the SHIP Program, very low, low and moderate income households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by HUD and distributed by the Florida Housing Finance Corporation. Per Section 420.9075(1)(a), F.S., preference will be given to those eligible recipients with special housing needs, including, but not limited to, homeless people, the elderly, migrant farm workers, and person with disabilities, in accordance with all applicable Federal or State laws.

d. **Maximum Award:**

Maximum award of \$50,000 per unit.

e. **Terms, Recapture, and Default:**

Assistance is provided to an eligible developer/sponsor through payment of impact fees, infrastructure expenses, and construction hard/soft costs. The assistance shall be provided in the form of a loan. All properties are subject to recapture of funds through a lien placed on the property to recapture funds, if the property is sold. The loan is a 15-year term, with a zero (0%) percent interest rate. No payments are due until the end of the 15-year term. For the purpose of the Agreement between the City and the property owner, "sold" shall mean the property is sold in a fee-simple arms-length transaction, and the title transferred. Rental units receiving SHIP funds shall be monitored annually for compliance with tenant income and affordability requirements by the City for 15 years, as required by the SHIP program. The development will be monitored for compliance with an FHFC funding source that meets or exceeds this requirement and that compliance is acceptable for SHIP compliance.

f. **Recipient Selection Criteria:**

An eligible recipient shall be assisted on a first come, first ready basis. The beneficiary shall have a household income at or below 80% of the area median income that is adjusted for household size and shall meet all eligibility requirements of the SHIP Program.

g. **Sponsor Selection Criteria, if applicable:**

An eligible developer/sponsor may submit applications at any time for assistance. Eligible costs include payment of impact fees, infrastructure expenses, and/or construction soft/hard costs. Applicants will be evaluated and awarded based upon the following criteria: the financial strength of the developer/sponsor; capacity; features of the proposed development; marketing plan for the proposed project; site control; affordability of the development; previous similar work experience; and whether or not personnel from the Florida Welfare Transition Program will be employed. Eligible developers/sponsors must contractually commit to follow the guidelines of the SHIP Program.

h. **Additional Information:**

In the case of rental housing, there will be monitoring and first right of refusal for the City's SHIP Program. Staff or entity that has administrative authority for implementing the LHAP in assisting rental developments shall annually monitor and determine tenant eligibility. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to annual monitoring and the determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for at least 15 years or the term of assistance; whichever is longer, unless as specified otherwise.

E. **Foreclosure Prevention Assistance Program:**

a. **Summary of the Strategy:**

This strategy is used to provide homeowners who have previously received City SHIP or HHR assistance the opportunity to avoid foreclosure and retain their homes. This is a one-time per household assistance strategy.

b. **Fiscal Years Covered:**

2013/2014; 2014/1015; 2015/2016

c. **Income Categories to be Served:**

Household incomes at or below 120% of the area median income adjusted for household size. For the purposes of the SHIP Program, very low, low and moderate income households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by HUD and

distributed by the Florida Housing Finance Corporation.

Per Section 420.9075(1)(a), F.S., preference will be given to those eligible recipients with special housing needs, including, but not limited to, the elderly, migrant farm worker, and persons with disabilities; in accordance with all applicable Federal or State laws.

d. **Maximum Award:**

Income Limits

- Very Low \$7,500
- Low \$7,500
- Moderate \$7,500

e. **Terms, Recapture, and Default:**

The City of Deltona will provide a 0% interest forgivable deferred payment loan for 5 years. The deferred payment forgivable loan shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, the survivor dies;
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage; and
- An heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of the Circuit Court for Volusia County.

f. **Recipient Selection Criteria:**

- Funds will be made available on a first come, first complete, first served basis while funds are available;
- All dwelling units will be within the Deltona city limits. HUD defined manufactured homes (mobile homes) are not eligible for assistance;

- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested including income, and other eligibility and qualifications parameters;
- All assisted applicants still residing in the same dwellings must have previously received SHIP or HHRP homeownership assistance, such as purchase, rehabilitation, or disaster assistance;
- Applicants must be at least 2 months arrears in mortgage payments and have received notification in writing from their lender that foreclosure proceedings will begin;
- Applicants who apply for assistance and who need more than the foreclosure assistance that is offered in this strategy must have the additional funds to pay all the remaining unpaid delinquency;
- Applicants must be income qualified and have sufficient income required to maintain their SHIP mortgage after foreclosure assistance is received;
- Applicants may receive the foreclosure strategy one time only;
- Applicants must demonstrate through documentary evidence that non-payment of their mortgage is due to one of the following reasons:
 1. Sudden Loss of Income;
 2. Sudden Medical Expenses;
 3. Divorce or Separation;
 4. Death in Family; and
 5. Unforeseen home repair bills.
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines, and City of Deltona requirements, including recapture provisions and certify that the unit assisted is their principal residence.

g. **Sponsor Selection Criteria, if applicable:**

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

F. **Disaster Mitigation/Recovery Assistance Program:**

a. **Summary of the Strategy:**

In the event of a Federal or State declared disaster affecting all or part of the City of Deltona, the City Commission reserves the right to utilize unencumbered SHIP funds to support this contingency strategy. Regulations require that the disaster be declared by Executive Order.

SHIP disaster mitigation/recovery funds may be used to provide assistance to eligible persons occupying affordable housing. Funds will be leveraged, when feasible, with the homeowner's flood insurance policy, FEMA Hazard Mitigation Grant Program and/or other disaster funds. SHIP disaster awards must be directly related to assisting disaster victims. SHIP disaster funds may be used for items such as, but not limited to:

- Purchase of emergency supplies for eligible households to weatherproof damaged homes;
- Interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable;
- Construction of wells or repair of existing wells where public water is not available;
- Payment of insurance deductibles for rehabilitation of homes covered under homeowners insurance policies;
- Security deposit, rental assistance for the duration of Florida Office of the Governor Executive Order No. 04-182, for eligible recipients that have been displaced from their homes due to damage from the storm; and
- Owner occupied rehabilitation; for eligible recipients with storm damages in need of repairs to improve their health, safety and well-being or contribute to structural integrity and preservation of their owner occupied home.

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

c. **Income Categories to be Served:**
Household incomes at or below 120% as defined by the U.S. Department of Housing (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for the use in the SHIP Program. Preference will be given to applicants below 50%.

d. **Maximum Award:**
Income Limit Maximum

Very Low	\$40,000
Low	\$30,000
Moderate	\$20,000

e. **Terms, Recapture and Default:**

SHIP funds for this activity will be in the form of a grant and shall not be subject to recapture, in the form zero (0%) deferred payment forgivable loan, for a term of 10 years. On each of the first ten (10) anniversaries of the date of conveyance of title, ten (10%) of the amount owed will automatically be forgiven and will not have to be repaid. Minimum affordability period is:

<u>Term</u>	<u>Amount</u>
Grant No Recapture	\$0 - \$14,999
10 Years	\$15,000- \$40,000

The deferred payment forgivable loan shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, the survivor dies;
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage; or
- An heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of the Circuit Court for Volusia County.

f. **Recipient Selection Criteria:**

- Funds will be made available on a first come, first complete, first served basis while funds are available;
- All dwellings will be within the Deltona city limits;
- HUD defined manufactured homes (mobile homes) are not eligible

for assistance;

- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested including income, eligibility and qualification-parameters;
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines, City of Deltona requirements, including recapture provisions and certify that the unit assisted is their principal residence;
- Applicants must attend and complete a Homebuyer Education Counseling course provided by or approved by the City; and
- A Home Quality Standards (HQS) inspection must be conducted by the applicant's certified housing inspector or the City Housing Program's designated HQS inspector.

g. **Sponsor Selection Criteria, if applicable:**

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation, or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

h. **Additional Information:**

- Applicants for disaster mitigation/recovery will be given priority above others on the waiting lists for other strategies.
- Funds will not be allocated to this strategy except in the case of a Federal or State declared disaster.

III. LHAP INCENTIVE STRATEGIES:

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

A. Name of the Strategy: Expedited Permitting

Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.

a. Established Policy and Procedures:

The City of Deltona has instituted a policy that affordable housing projects

can be placed ahead of other projects to prevent delays. All SHIP-funded projects requiring a permit or any designated affordable housing project, which have been coordinated with the Department of Planning and Development Services will receive expedited permit processing. All such applications will be put on colored paper in order to easily identify them from other permit requests.

B. Name of the Strategy: Ongoing Review Process

There is an on-going review process for local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption.

a. Established Policy and Procedures:

For established policy and procedures, when any local policies, ordinances, regulations, and plans are prepared that would increase the cost of housing, the City shall provide a draft of said policies, ordinances, regulation, and plans to the Community Development Division for their review. Analysis and comments on how such initiative(s) may impact the cost of housing for lower income households. A memorandum from the Community Development Division will be included in the packets for consideration by the Planning and Zoning Board and/or the City Commission to assist them when they make their recommendations/decisions.

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)(d) and F.A.C. A separate timeline for each fiscal year covered in this plan is attached as Exhibit B.
- 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 will be submitted with the final document.
- E. Adopting Resolution: A Resolution will be submitted with the final document.
- F. Program Information Sheet: The completed Program Information Sheet is attached as Exhibit F.
- G. Ordinance: N/A
- H. Interlocal Agreement: N/A