

CITY OF CAPE CORAL



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

FISCAL YEARS COVERED

2010-2011

2011-2012

2012-2013

APPROVED

RESOLUTION 14-10 April 26, 2010

Revised Per FHFC Comments Received July 9, 2010

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I. PROGRAM DESCRIPTION:

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

City of Cape Coral

Interlocal : Yes No

B. Purpose of the program:

The program outlines the City of Cape Coral's Housing Assistance Plan as required under, and in conformance with, Section 420.9072, Florida Statute, et seq., and Rule Chapter 67-37, State Housing Initiatives Partnership Program. This plan, submitted in accordance with guidelines provided in Rule Chapter 67-37.005 develops twelve (12) housing assistance strategies for protecting and developing affordable housing within the City of Cape Coral. These strategies utilize SHIP funding leveraged with Community Development Block Grant (CDBG) funding and private resources, for providing assistance to income eligible persons and/or households for the purposes of homeownership, down payment/closing cost assistance, residential rehabilitation, foreclosure prevention, impact fee assistance, water/sewer assessment assistance, senior housing, special needs housing, disaster mitigation, education and program administration.

The City has identified affordable housing initiatives in its Housing Element of the Comprehensive Plan, adopted June 2, 1997 as amended, the CDBG Consolidated Plan and in its previous Housing Assistance Plan. Provided herein is a brief summary of the City's commitment to addressing housing issues and increasing housing opportunities for all residents, but in particular, for those who are economically, physically or otherwise disadvantaged.

These issues are identified as follows.

- The City recognizes a need to provide affordable housing.
- The City recognizes a need to assist the current housing market to accommodate special needs households.
- The City recognizes a need to conserve and rehabilitate existing housing and neighborhoods.
- The City wishes to develop and expand partnerships among public and private housing and service providers to provide affordable housing within the City.

C. Fiscal years covered by the Plan:

2010-2011
2011-2012
2012-2013

D. Governance:

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37 Florida Administrative Code.

The SHIP Program does further the housing element of the local government

Comprehensive Plan. The strategies delineated within the City's Local Housing Assistance Plan (LHAP) provide a means for the implementation of the goals, policies and objectives regarding housing opportunities, set forth in the housing element of the City's Comprehensive Plan.

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. The City's previous Housing Assistance Plan partnered with various non-profit sponsor organizations for the development of its housing strategies. This current plan builds on those partnerships and extends its reach to corporate sponsors, social services organizations, and for-profit and non-profit organizations. In addition, the City is actively involved in various affordable housing interest groups at the State, County, and local levels of government.

The combined resource of these partnerships provides a variety of benefits in the community. These benefits include a reduction in the cost of providing housing, visible improvements to the community's housing stock and increased opportunity for the disadvantaged

F. Leveraging:

The City will leverage State Housing Initiatives Partnership funds with federal funding and private resources. In addition, the funds may be used as matches for Florida Housing Finance Corporation programs.

G. Public Input:

The City placed an advertisement in the local newspaper, on Saturday, March 20, 2010 regarding the availability for public comment and input regarding the formulation of this LHAP. All comments received by the public will be considered by staff and provided to the Florida Housing Finance Corporation with this document

H. Advertising and Outreach

The City of Cape Coral will advertise the availability of funding in an area newspaper with general circulation and through public service announcements servicing ethnic and diverse neighborhoods. The City of Cape Coral will advertise the notice of funding available (NOFA) to sponsor organizations and potential applicants at least 30 days prior to 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:

This Housing Assistance Plan provides for support services which assist in the implementation and development of the housing strategies. These support services are provided to both sponsors and beneficiaries of the plan. They include counseling, networking and technical assistance where needed. These services are provided by the sponsor agencies whom the City's partners with and City staff.

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 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, as may be amended from time to time

_____ 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.

Very low income is defined as total household income that does not exceed 50% of the area median as defined in 420.9071(28) Florida Statutes.

Low income is defined as total household income above 50% of median not to exceed 80% of median as defined in 420.9071(19) Florida Statutes.

Moderate income is defined as income above 80% of median and not exceeding 120% of median income as defined in 420.9071(20).

Rental rates may not exceed those published and updated annually by the Florida Housing Finance Corporation.

Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 F.S. However it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

M. Welfare Transition Program:

Should a eligible sponsor be used, the city/county 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 employ 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 staff or entity 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. The City of Cape Coral finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. The cost of administering the program may not exceed 10 percent (10%) of the local housing distribution plus five percent (5%) of program income deposited into the trust fund. The City 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 Cape Coral Department of Community Development Planning and Growth Management Division.

Q. Essential Service Personnel:

Pursuant to Section 420.9075 (3)(a), Florida Statutes, essential service personnel are persons in need of affordable housing who are employed in occupations or professions in which they are considered essential to the community as defined by each county or municipality. The City of Cape Coral defines essential service personnel as: any household earning 120 percent area median income (AMI) or below and, employed in the education system, city or county government, medical and health services, or public safety. Essential service personnel may earn up to 140 percent of AMI for the purposes of the Community Workforce Housing Innovation Pilot (CWHIP) program.

R. Section 420.9075(3)(d), F.S.: Requires counties and eligible municipalities to describe initiatives in their local housing assistance plans that encourage or require innovative design, green building principles, storm resistant construction or other elements that reduce long term costs relating to maintenance, utilities or insurance. The City of Cape Coral has developed minimum rehabilitation standards for the City's housing programs. "Sustainable design" principles have been incorporated, intended to minimize negative environmental impacts and to promote the health and comfort of the occupants of housing rehabilitated to these standards. The items include measures to reduce consumption of non-renewable resources, minimize waste, and to create healthy productive environments. Standard measures have been incorporated relating to energy conservation, energy efficiency, water conservation, and indoor air quality. The plans also requires, whenever possible and practical, use of materials or products that are made from recycled materials (such as fly ash concrete, carpeting or flooring made from recycled materials, etc.) or specify materials and products produced from rapidly renewable materials (such as cork or bamboo). It is also encouraged to the extent possible and practical, avoiding the use of products from non-renewable resources (such as vinyl siding, windows and flooring; asphalt roofing materials;

etc.). The standards also state that consideration should be given to having energy audits conducted on all properties to be rehabilitated prior to generating the project specifications (encouraged, not required).

Section II. LHAP HOUSING STRATEGIES:

A. Name of the Strategy: Purchase Assistance New Construction

i. Summary of the Strategy:

The City of Cape Coral will provide counseling and financial assistance to first time homebuyers through its New Construction strategy. This strategy allows homebuyers to purchase a newly constructed home through a program operated by a sponsor organization. The financial assistance is provided in the form of a deferred forgivable loan to income-eligible and qualified first time homebuyers purchasing a home only within the City. The deferred forgivable loan is subordinate to the first mortgage and is for a term of fifteen (15) years, which is issued and held by the City. The subordinate mortgage remains at full face value until its expiration or upon its recapture. Upon expiration at the end of the fifteenth year, the loan is forgiven and becomes a grant.

ii. Fiscal Years Covered:

Funding is allocated for homeownership assistance in all three (3) fiscal years contained in this plan, specifically FY 2010/2011, 2011/2012, 2012/2013.

iii. Income Categories Served:

This strategy is available to applicants who are demonstrated to be of very-low and low income as determined by income guidelines provided by the United States Department of Housing and Urban Development and distributed by the Florida Housing Finance Corporation. The sponsor agency may assist one (1) moderate income during a fiscal year under this strategy.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum award per unit for this strategy may not exceed the following:

Very Low Income: \$70,000

Low Income: \$65,000

Moderate Income: \$60,000

It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

These are included within the Housing Delivery Goals Chart. In cases where homes do not appraise for the full amount of the SHIP investment, assistance may exceed the maximum award and shall at that time the amount over the maximum subsidy level will be deemed a nonrecapturable grant.

v. Terms, Recapture and Default:

The subordinate mortgage issued with SHIP funds will be in force for 15 years. The mortgage will be recaptured upon any of the following events occurring prior to the 15-year term.

- The eligible client fails to maintain homestead exemption status as provided by the Lee County Property Appraisers Office.
- Sale and/or relinquish of interest in the assisted property or transfer of title of the assisted property. The sale/transfer of the property to an income eligible heir is allowed however all other conditions of the mortgage must be met.
- Refinance of the original first mortgage with cash out on the assisted property for any reason.
- The property ceases to be the primary residence of the recipient(s).
- Upon the death of all SHIP program recipients
- Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

The implementing agency will be contractually required to notice the City upon the recapture of any program funds. Upon this notification, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes.

vi. Recipient Selection Criteria:

All persons wishing to participate in the program must complete a homeownership counseling class. Applicants, who have met the initial financial assessment and are determined income eligible, will be placed on a waiting list if applicable according to income classification. Applicants will then receive assistance on a first-come, first-ready basis. Clients assisted through this strategy will not be eligible for assistance through any other strategy other than the foreclosure prevention strategy.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process which includes criteria to be used for evaluation and a formal award through a written contract.

Eligible sponsors will at a minimum, meet the following criteria.

- Organizations will be a non-profit community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months.
- Organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Organizations will have an established record of constructing and/or rehabilitating homes.
- Organizations will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable determined by staff.

- Preference will be given to non-profit organizations, which hire personnel from Welfare Transition Program, Workforce Development Initiatives and other employment assistance programs.
- Organizations must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- Sponsor agencies will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, sponsor agencies will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Minimum Design Criteria - All homeownership new construction projects must the following three (3) minimum design criteria for accessibility which are in accordance with the 1986 ANSI A117.1 American National Standard for Buildings and Facilities providing accessibility and usability for physically handicapped people.
 1. On the first habitable floor of the building, 32 inches clear passage through at least one exterior door and 29 inch clear passage through all interior doors, including bathrooms.
 2. On the first habitable floor of the building, 36 inch wide level route through hallways and passageways.
 3. All new homeownership projects must provide at least one entrance, which will be a ramp or no step entrance unless the proposed

construction of a no step entrance will require the installation of an elevator.

- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City's Comprehensive Plan.

B. Name of the Strategy: Purchase Assistance with Rehabilitation

i. Summary of the Strategy:

The City of Cape Coral will provide counseling and financial assistance to first time homebuyers through its Purchase Assistance with Rehabilitation strategy. This strategy allows homebuyers to either purchase a rehabilitated home through a program operated by a sponsor organization. The financial assistance is provided in the form of a deferred forgivable loan to income-eligible and qualified first time homebuyers purchasing a home only within the City. The forgivable loan is subordinate to the first mortgage and is for a term of fifteen (15) years, which is issued and held by the City. The subordinate mortgage remains at full face value until its expiration or upon its recapture. Upon expiration at the end of the fifteenth year, the loan is forgiven and becomes a grant.

ii. Fiscal Years Covered:

Funding is allocated for homeownership assistance in all three (3) fiscal years contained in this plan, specifically FY 2010-2011, 2011-2012, 2012-2013

iii. Income Categories Served:

Homeownership assistance is available to applicants who are demonstrated to be of very-low or low income as determined by income guidelines provided by the United States Department of Housing and Urban Development and distributed by the Florida Housing Finance Corporation.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum award per unit for this strategy may not exceed the following:

Very Low Income: \$70,000

Low Income: \$65,000

It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

These are included within the Housing Delivery Goals Chart. In cases where homes do not appraise for the full amount of the SHIP investment, assistance may exceed the maximum award and shall at that time the amount over the maximum subsidy level will be deemed a nonrecapturable grant.

v. Terms, Recapture and Default:

The subordinate mortgage issued with SHIP funds will be in force for 15 years. The mortgage will be recaptured upon any of the following events occurring prior to the 15-year term.

- The eligible client fails to maintain homestead exemption status as provided by the Lee County Property Appraisers Office.

- Sale and/or relinquish of interest in the assisted property or transfer of title of the assisted property. The sale/transfer of the property to an income eligible heir is allowed however all other conditions of the mortgage must be met.
- Refinance of the original first mortgage with cash out on the assisted property for any reason.
- The property ceases to be the primary residence of the recipient(s).
- Upon the death of all SHIP program recipients
- Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

The implementing agency will be contractually required to notice the City upon the recapture of any program funds. Upon this notification, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes.

vi. Recipient Selection Criteria:

All persons wishing to participate in the program must complete a homeownership counseling class. Applicants, who have met the initial financial assessment and are determined income eligible, will be placed on a waiting list if applicable according to income classification. Applicants will then receive assistance on a first-come, first-ready basis. Priority will be given to clients who are classified as having “special needs” as defined by Florida Statutes. Clients assisted through this strategy will not be eligible for assistance through any other strategy other than the foreclosure prevention strategy.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process which includes criteria to be used for evaluation and a formal award through a written contract.

Eligible sponsors will at a minimum, meet the following criteria.

- Organizations will be a non-profit community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months.
- Organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Organizations will have an established record of constructing and/or rehabilitating homes.
- Organizations will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable determined by staff.
- Preference will be given to non-profit organizations, which hire personnel from Welfare Transition Program, Workforce Development Initiatives and other employment assistance programs.

- Organizations must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- Sponsor agencies will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, sponsor agencies will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City's Comprehensive Plan.

C. Name of the Strategy: Owner Occupied Rehabilitation

i. Summary of the Strategy:

The City of Cape Coral will provide financial assistance to income eligible city residents, whose single-family homes are in need of rehabilitation through this strategy. For the purpose of this strategy, single-family homes include: free standing single-family homes, condominium units, and duplexes that have a separate strap and fee simple ownership. This strategy allows for established homeowners, who reside within city limits, and are income eligible to receive financial assistance through an established program operated by a sponsor organization. The financial assistance will be in the form of a forgivable ten (10) year loan, issued to a qualified property owner. The forgivable loan will be subordinate to a first and/or second mortgage that is in good standing. At the end of the tenth-year, the loan will be

forgiven and become a grant. Very low income participants will be granted a 10% annual decrease of the total mortgage amount commencing in the sixth (6th) year of the loan. This decreasing mortgage amount is provided exclusively for applicants initially qualified as very-low income, so as to provide an added benefit to this group.

Rehabilitation will be limited to repairs or improvements that are needed for safe or sanitary habitation, correction of substantial code violations, to meet the minimum rehabilitation standards adopted by the City of Cape Coral and/or barrier removal for accessibility by physically challenged individuals. Under this strategy, funding assistance may also be provided for emergency repairs, including but not limited to, repairs performed by existing service providers under weatherization assistance programs under §409.509 - 409.5093 Florida Statute.

ii. Fiscal Years Covered:

The funding allocated for residential rehabilitation assistance covers fiscal years FY 2010-2011, 2011-2012, 2012-2013.

iii. Income Categories Served:

Residential rehabilitation assistance is available to applicants who are demonstrated to be very-low or low income. Sponsors are given the opportunity to provide assistance to two (2) moderate units or an amount not to exceed \$50,000 per year on a first come first serve basis. Sponsors will be required, at a minimum, to allocate 30% of SHIP funds for very low-income individuals.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum assistance provided under this strategy for residential rehabilitation and emergency repairs shall not exceed the following:

- Very Low Income: \$50,000
- Low Income: \$45,000
- Moderate Income: \$25,000

Only single-family, owner-occupied units will be eligible for assistance under this strategy. Due to expenditure requirements moderate income rehabilitation will be limited to two (2) units per year or an amount not to exceed \$50,000 per year.

It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

v. Terms, Recapture and Default:

The subordinate mortgage issued with SHIP funds will be in force for 10 years. The mortgage will be recaptured upon any of the following events occurring prior to the 10-year term.

- The eligible client fails to maintain homestead exemption status as provided by the Lee County Property Appraisers Office.
- Sale and/or relinquish of interest in the assisted property or transfer of title of the assisted property. The sale/transfer of the property to an income eligible heir is allowed however, all other conditions of the mortgage must be met.
- Refinance of the original first mortgage with cash out on the assisted property for any reason.

- The property ceases to be the primary residence of the recipient(s).
- Upon the death of all SHIP program recipients
- Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

The implementing agency will be contractually required to notice the City upon the recapture of any program funds. Upon this notification, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes.

vi. Recipient Selection Criteria:

Applicants who have been determined income eligible for program assistance, will be placed on a waiting list according to their income classification, and will receive assistance on a first come, first ready basis, with priority given to very-low income applicants and according to need. The non-profit agency's Board of Directors shall determine need so as to allow for hardship cases, which immediately threaten life, health or safety. The criteria to determine if a particular eligible client meets the “hardship” guidelines will be based on one of the following:

- The roof system has failed which resulted in water infiltration into the home. Water dripping from the ceiling during heavy rains satisfies this criterion.
- Exposed electrical wires are present within the home or property. Exposed wires are those not contained in conduit, have no wire caps on the ends, and are accessible to the inhabitants.
- The toilet, water heater, and/or sink are leaking water into the home. This includes broken pipes, deteriorated water heater and/or broken valve stems.

Hardship cases will receive immediate assistance. Priority will be given to clients who are classified as having “special needs” as defined by Florida Statutes. Clients assisted through this strategy will not be eligible for assistance through any other strategy other than the foreclosure prevention strategy.

vi. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process which includes criteria to be used for evaluation and a formal award through a written contract.

Eligible sponsors will at a minimum, meet the following criteria.

- Organizations will be a non-profit, community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months.
- Organizations will have an established record of constructing and/or rehabilitating homes.

- Organizations will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable.
- Preference will be given to non-profit organizations, which hire personnel from Welfare Transition, Workforce Development Initiatives and other employment assistance programs.
- Organizations must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- Sponsor agencies will be required to have an established program of support services including post-delivery referral services to assist clientele.

vii. Additional Information

Additionally, sponsor agencies will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City’s Comprehensive Plan.

D. Name of the Strategy: Replacement Housing

i. Summary of the Strategy:

This strategy will provide replacement housing for SHIP eligible very low – and low-income owner-occupied homes that are unfeasible for rehabilitation. Mobile homes

and manufactured homes will not be eligible for assistance unless the property (land) is owned by the applicant and the owner agrees that the mobile/manufactured home will be removed from the site. The program will be administered by the sponsor agency implementing the Owner Occupied Rehabilitation (OOR) Program for the City of Cape Coral.

Under current City policy, no owner-occupied dwelling will be subject to condemnation. Only those dwellings occupied by eligible homeowner's wishing to participate in a voluntary demolition program will be considered qualified for replacement if the following occur:

- The homeowner's household income is very low or low as defined previously.
- The dwelling must be an owner occupied single-family home in conformance with land use and zoning restrictions and located within the city limits of Cape Coral.
- Replacement will be considered based on the complexity and severity of violations of the International Property Maintenance Code (IPMC) as determined by the City's Code Enforcement Division and/or the extent of structural deterioration precluding the economic feasibility of undertaking repairs to correct code violations and provide a decent, safe and sanitary living environment.
- The home has been determined to be structurally unfeasible for rehabilitation or rehabilitation costs exceed the allowed limit in the Owner Occupied Rehabilitation Strategy;
- The homeowner agrees to permit the City to have the dilapidated structure demolished.
- The homeowner has owned and occupied the dwelling to be demolished for not less than 365 days prior to execution of such an agreement.
- Ownership of the property must be fee simple estate at the time of loan closing with title in the name of the applicant.
- Existing lien holders must approve the demolition and reconstruction of the property.
- Property taxes must be current. Applications shall not be approved for funding if there are delinquent property taxes outstanding.
- Property owner is current on mortgage payments, if applicable.

ii. Fiscal Years Covered:

This strategy will cover the 2010-2011, 2011-2012, and 2012-2013 State fiscal years. It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

iii. Income Categories to be served:

Very-low and low-income eligible homeowners.

iv. Maximum award:

Maximum award of \$156,000.00 is noted on the Housing Delivery Goals Charts. (Exhibit C)

v. Terms, Recapture, and Default: Housing replacement costs for very low- and low-income homeowners will be secured with a 15-year deferred zero (0) interest loan which in combination with the first mortgage does not exceed 100% the appraised value of the newly constructed home that becomes due and payable at time of sale,

transfer of title, or if the property ceases to be the full-time residence of the assisted client. Any SHIP funding provided in excess of the appraised value will be deemed a grant for reporting purposes.

If the home is sold, title is transferred, or the home ceases to be the primary residence of the applicant, the amount of assistance must be repaid. In the event of the death of the homeowner(s), an income-eligible heir may occupy the home and assume the mortgage by means of a mortgage modification. If there is not an income-eligible heir, the mortgage will be due and payable. This mortgage may be paid at any time without penalty. This strategy may be combined with other state, federal, or local programs. The relocation award of up to \$6,000 is in the form of a grant and is not recapturable.

vi. Recipient Selection Criteria:

In the event that the Owner Occupied Rehabilitation maximum award is not sufficient to bring the home up to code, the very low- and low-income homeowner may qualify under the Reconstruction Strategy.

vii. Sponsor Selection Criteria:

The program will be administered by the sponsor agency implementing the Owner Occupied Rehabilitation (OOR) Program. Selection criteria for the sponsor agency are contained within this strategy.

viii. Other Requirements:

- The homeowner agrees to a lien against the property which would require repayment of the mortgage if the property is sold, and an agreement by the City to any secondary liens or mortgages. The loan to value ratio of the homeowner's first mortgage and any secondary and tertiary mortgages may not exceed 100% of the properties appraised value. Should the City's SHIP investment exceed 100% the remaining award shall be in the form of a grant. In no case, may the combined loan and grant exceed the maximum assistance level in Section D.iv.
- The homeowner agrees to sign a mortgage and promissory note.
- The replacement home shall be consistent with the needs of the household, the character of the neighborhood, and area-wide market conditions.
- Fire and Extended Coverage Insurance will be required and the structure shall be insured to value. The requirement for fire and extended coverage insurance shall be included in the loan document.
- The initial annual insurance premium will be an eligible loan closing expense.
- Flood insurance will be required in special flood hazard areas and the initial annual insurance premium will be an eligible loan closing expense.
- Homeowners assisted under this strategy will be encouraged to obtain temporary housing on their own. A grant of up to \$6,000 may be provided for temporary relocation expenses, permits, and service delivery costs. Allowable relocation expenses may include, but not be limited to, the costs of moving, storing, and insuring personal property during moving and storage. The grant amount of \$6,000 is included in the maximum award amount noted on the Housing Delivery Goals Chart. Moving, storage, and housing cost must have three quotes and are subject to City of Cape Coral approval.

- The City of Cape Coral will subordinate to a lower position in accordance in accordance with the City of Cape Coral Subordination of Mortgage Policy (Exhibit H).

E. Name of Strategy: Down Payment/Closing Cost Assistance

i. Summary of the Strategy:

The City of Cape Coral will provide down payment/closing cost assistance to first-time homebuyers purchasing existing, eligible housing. This strategy differs from the homeownership strategy because clients eligible for this strategy must purchase the real estate from either a private person, through a realtor, and or through a builder. A sponsor agency is utilized to facilitate the sale. The assistance, if purchased through the means previously discussed, will be used for the down payment/ closing cost assistance as delineated in Section IV. Maximum Award noted on the Housing Delivery Goals Chart. The homeownership purchase assistance strategy requires the client to purchase either a rehabilitated home or a newly constructed home through the sponsor agency only and provides a greater subsidy to the client. This strategy will allow qualified applicants to receive a ten (10) year, no interest, deferred forgivable loan based on income classification to assist with down payment, closing costs and minor repairs/replacements (not cosmetic in nature) indentified in the home inspection. Home inspections are required for all homes purchased through this strategy. The deferred forgivable loan will be subordinate to the first mortgage. At the end of the tenth year, the loan will be forgiven and become a grant. The City will provide this assistance through eligible sponsors which partner with mortgage lenders to offer below prime lending rates to participants as available.

ii. Fiscal Years Covered:

Funding is allocated for down payment assistance in two (2) fiscal years contained in this plan, specifically FY 2010-2011 and 2012-2013

iii. Income Categories Served:

Down Payment/Closing Cost Assistance is available to applicants who are demonstrated to be of very-low, low or moderate income as determined by guidelines provided by US HUD and distributed by the Florida Housing Finance Corporation.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum award under this strategy is based on income classification. Applicants qualified as moderate income will be eligible for a maximum award of up to \$25,500. Applicants qualified as low income will be eligible for a maximum award of up to \$27,500. Applicants qualified as very-low income will be eligible for a maximum award of up to \$30,000. At no time may the maximum award be more than 20% of the purchase price of the property. Sponsors will be required, at a minimum, to allocate 30% of SHIP funds for very low-income individuals. Moderate income assistance will be restricted to 5 units per year.

It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

v. Terms, Recapture and Default:

The subordinate mortgage issued with SHIP funds will be in force for 10 years. The

mortgage will be recaptured upon any of the following events occurring prior to the 10-year term.

- The eligible client fails to maintain homestead exemption status as provided by the Lee County Property Appraisers Office.
- Sale and/or relinquish of interest in the assisted property or transfer of title of the assisted property. The sale/transfer of the property to an income eligible heir is allowed however all other conditions of the mortgage must be met.
- Refinance of the original first mortgage with cash out on the assisted property for any reason.
- The property ceases to be the primary residence of the recipient(s).
- Upon the death of all SHIP program recipients
- Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

The implementing agency will be contractually required to notice the City upon the recapture of any program funds. Upon this notification, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes.

vi. Recipient Selection Criteria:

Applicants that have met income qualifications and program requirements will be assisted on a first come, first ready basis. Clients assisted through this strategy will not be eligible for assistance through any other strategy other than the foreclosure prevention strategy. Clients assisted under this strategy must complete a homebuyer counseling class.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process which includes criteria to be used for evaluation and a formal award through a written contract.

Eligible sponsors will at a minimum, meet the following criteria.

- Organizations will be a non-profit, community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months.
- Organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Organizations will have an established record of constructing and/or rehabilitating homes.

- Organizations will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable.
- Preference will be given to non-profit organizations, which hire personnel from Welfare Transition, Workforce Development Initiatives and other employment assistance programs.
- Organizations must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- Sponsor agencies will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, sponsor agencies will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City's Comprehensive Plan.

F. Name of Strategy: Foreclosure Prevention

i. Summary of the Strategy:

The City of Cape Coral developed this strategy to protect the City's investment in housing throughout the community and prevent homelessness. The City will partner with a local non-profit organization to assist homeowners who become or are at risk

of becoming delinquent or default on their mortgage payments. This strategy is available to all income qualified households, with preference given to previous SHIP recipients. Participation in financial/credit counseling will be required for individuals to receive assistance. Eligible homeowners will receive one-time assistance up to \$7,400 to pay delinquent mortgage payments caused by unforeseen circumstances. The counseling agency may be eligible to receive a fee as delineated in the subrecipient agreement to cover the costs of counseling which is part of the \$7,400 assistance.

ii. Fiscal Years Covered:

Funding is not allocated for foreclosure prevention in the initial submittal of the Local Housing Assistance Plan.

iii. Income Categories Served:

Foreclosure prevention assistance is available to applicants who are demonstrated to be of very-low or low income as determined by income guidelines provided by the United States Department of Housing and Urban Development and distributed by the Florida Housing Finance Corporation.

iv. Maximum award noted on the Housing Delivery Goals Chart:

Eligible very low and low income clients may receive up to \$7,400 in assistance to prevent foreclosure.

It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

v. Terms, Recapture and Default:

The foreclosure prevention strategy awards funds as a grant to eligible clients, because of this, no recapture or default terms are delineated within this section. Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

vi. Recipient Selection Criteria:

All clients wishing to participate in the foreclosure prevention must meet the following criteria: participation in a certified financial counseling course, property must be primary residence, and clients must be able to demonstrate their ability to maintain their mortgage payments after the services have been rendered. Applicants, who have met the initial financial assessment and are income eligible, will be placed on a waiting list according to income classification. Applicants will then receive assistance on a first-come, first-ready basis. Applicants that have received SHIP assistance in the past will be given top priority.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process which includes criteria to be used for evaluation and a formal award through a written contract.

Eligible sponsors will at a minimum, meet the following criteria.

- Organizations will be a non-profit, community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months.
- Organizations shall be a US Department of Housing and Urban Development (HUD) approved Housing Counseling Agency in good standing.
- Organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Organizations will have an established record of constructing and/or rehabilitating homes.
- Organizations will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable.
- Preference will be given to non-profit organizations, which hire personnel from Welfare Transition, Workforce Development Initiatives and other employment assistance programs.
- Organizations must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- Sponsor agencies will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, sponsor agencies will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.

- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City’s Comprehensive Plan.

G. Name of Strategy: Impact Fee Program

i. Summary of the Strategy:

The City of Cape Coral will provide impact fee assistance to very low and low income households to assist with the payment of impact fees associated with the construction of affordable single family homes. School impact and capital expansion fees will not be included under this strategy. In the City of Cape Coral, “capital expansion fee” is the terminology utilized for water and sewer impact fees. Applications for the reimbursement of Impact Fees may be submitted in one of two ways: If the applicant is applying for SHIP Down Payment Assistance for the purchase of a newly constructed home, the applicant must submit proof that the impact fees were paid and the amount paid. The total cost of the payment will be added to the Down Payment Assistance check paid to the title company at closing. If the applicant is not applying for Down Payment Assistance, the applicant, with the assistance of the builder, must submit a separate application for impact fee reimbursement. The payment will be sent to the title company for distribution at closing and will be applied to the principal mortgage amount resulting in greater affordability for the eligible client.

ii. Fiscal Years Covered:

This strategy is not funded at the time of LHAP submission.

iii. Income Categories Served:

Impact fee assistance is available to applicants who are demonstrated to be of very-low or low income as determined by guidelines provided by US HUD and distributed by the Florida Housing Finance Corporation.

iv. Maximum award noted on the Housing Delivery Goals Chart:

Maximum award is limited to the total cost of eligible impact fees and may not exceed \$7,000.

It is the City’s intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

v. Terms, Recapture and Default:

All loans will be at a 0% interest rate and will be deferred until the home is sold, transferred, refinanced with cash out, no longer the primary residence of the applicant or ten (10) years, whichever occurs first. Should any of the above occur at any time during the ten (10) year period the full loan amount will be due payable.

Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have

been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

- vi. Recipient Selection Criteria:
Applicants that have met income qualifications and program requirements will be assisted on a first come, first ready basis.
- vii. Sponsor Selection Criteria:
The City of Cape Coral will administer this strategy.
- viii. Additional Information:
This program may be utilized in conjunction with the Down Payment Assistance Strategy.

H. Name of Strategy: Water/Sewer Assessment Program

- i. Summary of the Strategy:
The City of Cape Coral will provide assistance to very low and low income households to pay water and sewer assessments and associated capital expansion fees. In the City of Cape Coral, “capital expansion fee” is the terminology utilized for water and sewer impact fees. The purpose of the Water/Sewer Assessment Program is to assist low income families by providing financial assistance to compensate for the mandatory cost of connecting to public utilities. The assistance will provide eligible lower income families the opportunity to maintain their eligible homes when public facilities are expanded.
- ii. Fiscal Years Covered:
This program is not funded at the time of LHAP submission.
- iii. Income Categories Served:
The Water/Sewer Assessment Program is available to applicants who are demonstrated to be of very-low or low income as determined by guidelines provided by US HUD and distributed by the Florida Housing Finance Corporation.
- iv. Maximum award noted on the Housing Delivery Goals Chart:
Maximum award is limited to the total water/sewer assessment for a single unit not to exceed \$18,000/unit.
It is the City’s intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.
- v. Terms, Recapture and Default: All loans will be at a 0% interest rate deferred loan with a fifteen (15) year term secured through mortgage documents. The mortgage will be recaptured upon any of the following events occurring prior to the 15-year term.
 - The eligible client fails to maintain homestead exemption status as provided by the Lee County Property Appraisers Office.
 - Sale and/or relinquish of interest in the assisted property or transfer of title of the assisted property.
 - Refinance of the original first mortgage with cash out on the assisted property for any reason.
 - The property ceases to be the primary residence of the recipient(s).

- Upon the death of all SHIP program recipients
- Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

vi. Recipient Selection Criteria:

Applicants that have met income qualifications and program requirements will be assisted on a first come, first ready basis. Preference will be given to very-low income households and households that had previously received SHIP funds through another approved strategy.

vii. Sponsor Selection Criteria:

No sponsors are anticipated to be solicited for this strategy. The City of Cape Coral will administer this strategy.

viii. Additional Information:

- The subject property must be improved with a home. The City will not pay assessments on vacant property.
- In areas where water service has been expedited without sewer (“water-only”), homes/households will be permitted to apply through the Water Sewer Assessment Program a second time if income qualified. This will require the current household to recertify and the time of sewer assistance. Additionally, these funds will be secured by an additional subordinate lien whose term will not run concurrent with the “water-only” lien.
- Clients will be required to acknowledge that they have read and understand the City of Cape Coral Subordination of Mortgage Policy.
- The value of the home may not exceed the maximum sales price/value delineated in Section I (K) above.
- The cash value of applicant’s assets may not exceed \$20,000 for the purpose of the Water/Sewer Assessment Program.

I. Name of Strategy: Senior Rental Housing

i. Summary of the Strategy:

The City of Cape Coral will provide assistance to eligible sponsor organizations for the production of affordable, senior, rental housing. This strategy will provide for partnering with for-profit affordable housing developers and non-profit sponsor agencies for the construction of rental units to serve elderly persons within the City. The units assisted in this strategy will comply with all resale provisions and applicable monitoring requirements including those set forth in Section 420.9075(3)(e) and (4)(f) F.S. This strategy will allocate SHIP funds in the form of a forgivable loan for the construction of a facility and ideally be used as a match for other federal, state and local resources for maximum benefit.

ii. Fiscal Years Covered:

This program is not funded at the time of LHAP submission.

iii. Income Categories Served:

Eligible sponsors will be contractually required to make units available to persons

certified to be very low and low income. Sponsor(s) will be required (at a minimum) to allocate 30% of SHIP funds for very low-income seniors and an additional 30% of SHIP funds to low-income seniors and provide such certification as required by program guidelines.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum award provided under this strategy for senior housing will be limited to \$30,000.00 per unit. It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

v. Terms, Recapture and Default:

All rental housing must be rented at affordable rates (i.e. rents will not exceed those limits adjusted for number of bedrooms published by HUD and distributed by the Florida Housing Finance Corporation) to qualified occupants for a period of fifteen years. SHIP funds will be provided as non-amortizing forgivable loans with zero interest subject to the fifteen-year affordability period and will be forgiven at the expiration of that term. If the property is transferred before the fifteen-year affordability period, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes. If the new buyer is eligible for the program, the mortgage may be assumed so long as all other SHIP requirements are met. All SHIP assisted rental properties offered for sale prior to 15 years or the term of assistance, which ever is longer, must be subject to a right of first refusal for purchase at the current market value less the amount of the SHIP subsidy, by eligible nonprofit sponsor organization who would provide continued occupancy by eligible persons. An annual report of tenants and income certification is required for the 15 year period.

vi. Recipient Selection Criteria:

Participation in assisted senior housing will be provided on a first come, first served basis to applicants who are demonstrated to be income eligible. Applicants who have met the initial financial assessment, are 55 years of age or older, and are income eligible will be housed as units become available.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process and a formal award through a written contract. Sponsor selection outside of the advertised competitive application may be encumbered by the local government at their discretion when funding is being requested as a match for Florida Housing Finance Corporation or Federal competitive cycles.

Eligible sponsors will at a minimum, meet the following criteria.

- Eligible sponsors will be a non-profit, community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months or a for profit corporation organized and established under the laws of the State of Florida.

- Non-profit community based organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Eligible sponsors will have an established record of construction and/or rehabilitation of affordable housing.
- Eligible sponsors will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable.
- Preference will be given to non-profit and for-profit organizations, which hire personnel from Welfare Transition, Workforce Development Initiatives and other employment assistance programs.
- Eligible sponsors must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- The non-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds.
- Eligible sponsors will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, applicants will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.

- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City’s Comprehensive Plan.

J. Name of Strategy: Special Needs Rental Housing

i. Summary of the Strategy:

Under this strategy, the City will provide funding for acquisition, rehabilitation, and modification of rental housing for persons with disabilities as defined in Rule 67-37.002(11). This strategy provides income eligible household modifications and/or assistive technology modifications needed to increase independence, maximize safety, reduce expenditures on equipment and allow for individual development in their homes. The strategy also provides for education of sponsors, builders and developers to raise awareness of universal design concepts and assistive technology for implementation in special needs housing, as defined in Rule 67-37.002(11).

Rule 67-37.002, item 11 defines "Persons Who Have Special Housing Needs" as individuals who have incomes not exceeding moderate-income and, because of particular social, economic, or health-related circumstances, have greater difficulty acquiring or maintaining affordable housing. Such persons include: those who have encountered resistance to their residing in particular communities; suffered increased housing costs resulting from their unique needs and high risk of institutionalization; persons with developmental disabilities; persons with mental illnesses or chemical dependency; persons with Acquired Immune Deficiency Syndrome (“AIDS”) and Human Immunodeficiency Virus (“HIV”) disease; runaways and abandoned youth; public assistance recipients; migrant and seasonal farm workers; refugees and entrants; the elderly; and disabled adults.

The units assisted in this strategy will comply with all resale provisions and applicable monitoring requirements including those set forth in Section 420.9075(3)(e) and (4)(f) F.S.

ii. Fiscal Years Covered:

The funding allocated for the special needs housing assistance strategy covers fiscal years 2010-2011.

iii. Income Categories Served:

The Special Needs Strategy is available to applicants who are demonstrated to be of very-low or low income as determined by income guidelines provided by the United States Department of Housing and Urban Development and distributed by the Florida Housing Finance Corporation. Sponsors will be required, at a minimum, to allocate 30% of SHIP funds for very low income individuals or households, and 30% of SHIP funds for low income persons or households.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum award provided under this strategy for Special Needs Housing will be limited to \$30,000 per unit. It is the City’s intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein at time of expenditure.

v. Terms, Recapture and Default:

All rental housing must be rented at affordable rates (i.e. rents will not exceed those limits adjusted for number of bedrooms published by HUD and distributed by the Florida Housing Finance Corporation) to qualified occupants for a period of fifteen years. SHIP funds will be provided as non-amortizing forgivable loans with zero interest subject to the fifteen-year affordability period and will be forgiven at the expiration of that term. If the property is transferred before the fifteen-year affordability period, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes. If the new buyer is eligible for the program, the mortgage may be assumed so long as all other SHIP requirements are met. All SHIP assisted rental properties offered for sale prior to 15 years or the term of assistance, whichever is longer, must be subject to a right of first refusal for purchase at the current market value less the amount of the SHIP subsidy, by eligible nonprofit sponsor organization who would provide continued occupancy by eligible persons. An annual report of tenants and income certification is required for the 15 year period.

vi. Recipient Selection Criteria:

Upon funding of this strategy, all special needs housing assistance will be provided to certified eligible participants on a first come, first served basis, in a fair and equitable process according to need. Need shall be determined by the sponsor agency's Board of Directors so as to allow for hardship cases, which threaten life, health or safety.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process and a formal award through a written contract. Sponsor selection outside of the advertised competitive application may be encumbered by the local government at their discretion when funding is being requested as a match for Florida Housing Finance Corporation or Federal competitive cycles.

Eligible sponsors will at a minimum, meet the following criteria.

- Eligible sponsors will be a non-profit, community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months or a for profit corporation organized and established under the laws of the State of Florida.
- Non-profit community based organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Eligible sponsors will have an established record of construction and/or rehabilitation of affordable housing.
- Eligible sponsors will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable.

- Preference will be given to non-profit and for-profit organizations, which hire personnel from Welfare Transition, Workforce Development Initiatives and other employment assistance programs.
- Eligible sponsors must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- The non-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds.
- Eligible sponsors will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, applicants will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis – Funds under this strategy will not be awarded without sufficient evidence of other funding sources which are encumbered and in place which can adequately result in the project implementation. Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City’s Comprehensive Plan.

K. Name of Strategy: Disaster Relief

i. Summary of the Strategy:

This strategy will remain unfunded until such time as the City of Cape Coral deems it necessary to reallocate SHIP funds to aid in the recovery of a natural disaster with severe, negative impact to local housing. This strategy will be used in the wake of a natural disaster should an Executive Order be issued. In such an event, the City of Cape Coral will implement the required processes to implement this strategy.

Upon this funding reallocation, the City will provide assistance to income eligible households for the purpose of repairing or rebuilding housing directly affected by a disaster. This may include hurricanes, tornadoes, floods, natural disasters and chemical spills. This assistance will be limited to eligible participants and households, which meet established guidelines as very low, low and moderate income who may not be eligible for other types of assistance or who are under insured. This assistance may include the purchase of emergency supplies and repairs to waterproof and/or protect homes and private property of eligible participants from the elements, including interim repairs to avoid further damage, tree and debris removal and post disaster assistance with non-insured repairs.

SHIP funds will not be used for repairs or for the purchase of mobile homes, but may be used to remove a mobile home destroyed in a natural disaster. All assistance will be limited to eligible residents within the City of Cape Coral, for eligible housing as defined in 420.9071(8) and Chapter 553, utilizing and repairing property within city limits. Program participation will be determined on a case-by-case basis in accordance with procedures established in the Residential Rehabilitation program.

ii. Fiscal Years Covered:

No funding is reserved or allocated for this strategy. The disaster mitigation strategy will be funded only in the event of a natural disaster, which necessitates SHIP funds to address critical housing needs

iii. Income Categories Served:

When the City deems it necessary to implement the disaster mitigation strategy, the City will allocate all available SHIP resources to eligible participants determined to be of very low, low or moderate income. Sponsors will be required, at a minimum, to allocate 30% of SHIP funds for very low income individuals or households, and 30% of SHIP funds for low income persons or households.

iv. Maximum award noted on the Housing Delivery Goals Chart:

The maximum award will be limited to \$20,000 per unit. It is the City's intention that all unexpended funds regardless of allocation year be governed by the maximum subsidy levels adopted herein.

v. Terms, Recapture and Default:

Repairs and improvements under \$5,000 will be in the form of a grant. Any repairs in excess of \$5,000 will be subject to a subordinate forgivable mortgage issued with SHIP funds will be in force for 10 years. The mortgage will be recaptured upon any of the following events occurring prior to the 10-year term.

- The eligible client fails to maintain homestead exemption status as provided by the Lee County Property Appraisers Office.

- Sale and/or relinquish of interest in the assisted property or transfer of title of the assisted property.
- Refinance of the original first mortgage with cash out on the assisted property for any reason.
- The property ceases to be the primary residence of the recipient(s).
- Upon the death of all SHIP program recipients
- Based on substantiated documentation, program administrators/proper authorities will investigate all suspected cases of program eligibility fraud. Clients that have been found guilty of violating Florida Statute 817 shall require full repayment of SHIP funds loaned/granted under the City of Cape Coral SHIP program.

The implementing agency will be contractually required to notice the City upon the recapture of any program funds. Upon this notification, the sponsor agency must return the funds to the City for deposit in the Local Housing Assistance Trust Funds, in accordance with SHIP program guidelines established under 420.9075(5) Florida Statutes.

vi. Recipient Selection Criteria:

Applicants that are income eligible will be assisted on first come, first served basis.

vii. Sponsor Selection Criteria:

All sponsors assisting the City with implementing this plan will be selected through a publicly advertised competitive application process. This process involves a thirty (30) day public notification of the availability of funding, a written application delineating program requirements, a request for proposal (RFP), an open and objective evaluation process which includes criteria to be used for evaluation and a formal award through a written contract.

Eligible sponsors will at a minimum, meet the following criteria.

- Organizations will be a non-profit, community based organization, having obtained official designation as 501(c)(3) and in operation for more than 12 months.
- Organizations will be required to operate and maintain an office within the Cape Coral city limits, which is easily accessible to the general public and provides reasonable accommodations for persons requesting assistance.
- Organizations will have an established record of constructing and/or rehabilitating homes.
- Organizations will be required to provide substantial evidence of its ability to construct or otherwise deliver a completed project within a reasonable timetable.
- Preference will be given to non-profit organizations, which hire personnel from Welfare Transition, Workforce Development Initiatives and other employment assistance programs.
- Organizations must have an established outreach program with the intent of assisting income groups and disadvantaged citizens targeted for assistance by this Housing Assistance Plan.
- Sponsor agencies will be required to have an established program of support services including post-delivery referral services to assist clientele.

viii. Additional Information

Additionally, applicants will be evaluated on the following:

- Intended purpose (outcome) - The quantitative and qualitative goals of the proposal are achievable, measurable and result in a desirable outcome.
- Financial Analysis - Total project costs are reasonable, and are adequate to carry out the project through the specified time period. The budget is well thought out with reasonable assumptions for completing the project with state funding. A reasonable relationship exists between the cost of the project and the expected outcome. The sponsor agency has the capacity to secure all funds necessary to carry out the project. Audits or other financial statements demonstrate success in securing funds through grant proposals or other fund raising efforts.
- Experience and Capacity to Carry out the Strategy – Components of the project are fully described and goals and objectives are attainable. The project sponsor has demonstrated the ability to successfully carry out the proposed project including providing a project manager, construction manager and/or qualified licensed contractor. The applicant demonstrates that capacity exists to complete the project and meet all the requirements of the SHIP program.
- Project Readiness and Timeliness – All components of the project are in place or can be in place within a specified period of time. Project can be implemented and completed in a timely manner.
- Past Performance – The rate of progress toward completing contractual goals, the ability to overcome and avoid past problems. Inaccurate or incomplete performance reports, unresolved audit findings, delays in or failure to submit required reports, persistent difficulties with payment request process, failure to correct significant problems.
- Clarity and completeness of application - The proposal submitted was complete and lacked inaccuracies and ambiguities.
- Site Suitability: The site is suitable for this strategies implementation. This includes but is not limited to: proper zoning and land use, and compliance with the City's Comprehensive Plan.

III. LHAP INCENTIVE STRATEGIES

The City of Cape Coral continues to seek out and develop an incentive driven system of creating and preserving affordable housing in within its boundaries. This strategy of providing a positive environment is generally seen as more conducive to enlisting the support necessary to achieve public service goals. These incentives are detailed below.

A. ***Name of Strategy: Expedited Permitting***

Description of policies and procedures:

Permits as defined in s.163.3164 (7) and (8) for affordable housing projects are expedited to a greater degree than other projects. The City developed and implemented a system of identifying and expediting affordable housing permits, plan reviews and related actions. The expedited permitting process continues to work well and provides a valuable service to contractors developing affordable housing projects within the City.

The system works by identifying affordable housing projects and assigning an expeditor, which move helps the project move through the approval and permitting process. These projects are assigned a priority status and are reviewed in an expeditious manner.

Status: Expedited permitting is currently available. In response to the Affordable Housing Advisory Committee's recommendation, the Department of Community Development is developing a more formalized process for the identification and processing of affordable housing development permits.

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

Description of policies and procedures:

The impact of City policy and actions on affordable housing is addressed in the Comprehensive Plan's Housing Element, the Consolidated Plan and in City procedures. The Housing Element of the Comprehensive Plan provides for the review of all development, codes, regulations, policy and ordinances. The City through its annual reporting requirements to the Florida Housing Finance Corporation includes a certification for implementation of regulatory reform activities in accordance with s. 163.3164(7) and (8) of the Florida Statutes. Proposed actions of the City Council are reviewed in this context.

Status: This incentive is currently in place. In response to the Affordable Housing Advisory Committee's recommendation, the Department of Community Development is developing a more formalized process for reviewing proposed legislation for impact on affordable housing.

C. ***Name of Strategy: Provisions for Transfer of Development Rights***

Description of policies and procedures:

The transfer of development rights provisions was established through the adoption of the Land Use Development Regulations on February 12, 1990. This remains a viable option for affordable housing although, to date, they have not been utilized.

Status: This incentive is currently in place.

D. ***Name of Strategy: Flexible Density for the Provision of Affordable Housing***

Description of policies and procedures:

The City of Cape Coral currently offers a density incentive program (DIP) for specific zoning districts. In these districts, the Downtown Community Redevelopment Area (CRA) zoning districts and the Commercial Activity Center (CAC) zoning districts, developers will be eligible for increased density by utilizing choices from a number of categories, including affordable housing. Currently, affordable housing is one of nine (9) categories, of four (4) required, that developers may choose to increase density within projects. The Affordable Housing Advisory Committee recommended and the City Council approved the concept of, a stand alone affordable housing density incentive program that would be applicable over the entire city as an incentive. This program would provide additional density in exchange for the provision of a certain percentage of affordable units within a development. This voluntary program would allow for payment in lieu, or the construction of affordable units offsite within certain zones rather than onsite. The Committee recommended that there be an instrument that maintains the affordability of these units. The Committee also recommended including affordable housing as a mandatory category within the DIP which currently requires participation in any four (4) of nine (9) categories within the Marketplace Residential zoning designation. The implementation of this program will require changes to both the City's Land Development Regulations and Comprehensive Plan.

Status: Flexible density is currently available for the provision of affordable housing within specific zoning districts.

E. ***Name of Strategy: Reduction in Street Width Requirements for affordable single family subdivisions***

Description of policies and procedures: Affordable single-family subdivisions shall be eligible for an administrative deviation to the minimum street width requirements in the City's Engineering Design Standards to the applicable State of Florida minimum street width.

Status: This incentive is currently in place.

F. ***Name of Strategy: Zero-lot Line Configuration***

Description of policies and procedures: The City currently allows zero-lot line development for affordable and market rate housing through the Planned Development Process. Policy 1.2 of the Housing Element of the City's Comprehensive Plan states the City will maintain criteria for implementation of the City's Land Use and Development Regulations, pursuant to S.163.3202, F.S., for activities such as, zero lot line development, townhouse development, and transfer of development rights to encourage residential developments to include a wide mix of housing types and designs at a variety of allowable housing densities and intensities.

Status: This incentive is currently in place.

G. ***Name of Strategy: The preparation of a printed inventory of locally owned public lands suitable for affordable housing.***

Description of policies and procedures: Section 166.0451, Florida Statutes states the following related to the disposition of municipal property for affordable housing: by July 1, 2007 and every 3 years thereafter, each county and municipality must prepare an inventory list of all real property within its jurisdiction to which the county or municipality holds fee simple title that is appropriate for use as affordable housing. The City of Cape Coral Affordable Housing Advisory Committee will review all city owned surplus property on a triennial basis and make recommendations to the City Council of which properties would be suitable for affordable housing in accordance with Section 166.0451.

Status: This incentive is currently in place. The next review of locally owned public land will occur by June 30, 2010.

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, 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.
- H. Subordination of Mortgage Policy
- I. Lender Guidelines

Exhibit A

Fiscal Year	2010
Salaries and Benefits	\$ 113,576.00
Office Supplies and Equipment	\$ 500.00
Travel Per Diem Workshops, etc	\$ 1,000.00
Advertising	\$ 500.00
	\$ 115,576.00
	\$

Fiscal Year	2011
Salaries and Benefits	\$ 113,576.00
Office Supplies and Equipment	\$ 500.00
Travel Per Diem Workshops, etc	\$ 1,000.00
Advertising	\$ 500.00
	\$ 115,576.00

Fiscal Year	2012
Salaries and Benefits	\$ 113,576.00
Office Supplies and Equipment	\$ 500.00
Travel Per Diem Workshops, etc	\$ 1,000.00
Advertising	\$ 500.00
	\$ 115,576.00

Based on a distribution of \$ 1,455,767.00

FLORIDA HOUSING FINANCE CORPORATION											Please check applicable box, & if Amendment, enter number												
HOUSING DELIVERY GOALS CHART#2002											New Plan:		X										
STRATEGIES FOR THE LOCAL HOUSING ASSISTANCE PLAN FOR STATE FISCAL YEAR:											Amendment:												
Name of Local Government: City of Cape Coral											Available Funds:	\$1,455,767.00	Fiscal Yr. Closeout:	67-37.005(5)(d) F.A.C.									
											A	B	C	D	E	F							
HOME OWNERSHIP STRATEGIES											VLI	Max. SHIP	LI	Max. SHIP	MI	Max. SHIP	New Construction	Rehab/Repair	Without Construction	Total	Total	Total	
											Units	Award	Units	Award	Units	Award	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	Percentage	Units	
Purchase Assistance New Construction											0	\$70,000	2	\$65,000			\$130,000.00	\$0.00	\$0.00	\$130,000.00	8.93%	2	
Purchase Assistance with Rehabilitation											2	\$70,000	5	\$65,000			\$0.00	\$465,000.00	\$0.00	\$465,000.00	31.94%	7	
Replacement Housing											0	\$0	1	\$156,000			\$156,000.00	\$0.00	\$0.00	\$156,000.00	10.72%	1	
Owner Occupied Rehabilitation											3	\$50,000	2	\$45,000	2	\$25,000	\$0.00	\$261,691.00	\$0.00	\$261,691.00	17.98%	7	
Down Payment/Closing Cost Assistance											1	\$27,500	5	\$25,500	1	\$22,500	\$0.00	\$0.00	\$177,500.00	\$177,500.00	12.19%	7	
Disaster Relief											0	\$20,000	0	\$20,000						\$0.00	0.00%	0	
Impact Fee Program											0	\$7,000	0	\$7,000						\$0.00	0.00%	0	
Water Sewer Assessment Program											0	\$18,000	0	\$18,000						\$0.00	0.00%	0	
Subtotal 1 (Home Ownership)											6		15		3		\$286,000.00	\$726,691.00	\$177,500.00	\$1,190,191.00	81.76%	24	
RENTAL STRATEGIES											VLI	Max. SHIP	LI	Max. SHIP	MI	Max. SHIP	New Construction	Rehab/Repair	Without Construction	Total	Total	Total	
											Units	Award	Units	Award	Units	Award	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	Percentage	Units	
Special Needs Rental Housing											4	\$30,000	0	\$30,000	0			\$120,000.00			\$120,000.00	8.24%	4
Senior Rental Housing											0	\$30,000	0	\$30,000	0						\$0.00	0.00%	0
																				\$0.00	0.00%	0	
																				\$0.00	0.00%	0	
Subtotal 2 (Non-Home Ownership)											4		0		0		\$0.00	\$120,000.00	\$0.00	\$120,000.00	8.24%	4	
Administration Fee																				\$115,576.00	7.94%		
Admin. From Program Income																					0.00%		
Home Ownership Counseling																				\$30,000.00	2.06%		
GRAND TOTAL											10		15		3		\$286,000.00	\$846,691.00	\$177,500.00	\$1,455,767.00	100.00%	28	
Add Subtotal 1 & 2, plus all Admin. & HO Counseling																							
Percentage Construction/Rehab											Calculate Constr./Rehab Percent. by adding Grand Total Columns A&B, then divide by Annual Allocation Amt.									78%			
Maximum Allowable Purchase Price:																	New	\$258,691	Existing	\$258,691			
Allocation Breakdown											Amount	%				Projected Program Income:	\$10,000.00	Max Amount Program Income For Admin:	\$500.00				
Very-Low Income											\$436,730.00	30.0%				Projected Recaptured Funds:							
Low Income											\$946,537.00	65.0%				Distribution:	\$1,455,767.00						
Moderate Income											\$72,500.00	5.0%				Total Available Funds:	\$1,455,767.00						
TOTAL												100.0%									67-37.005(5)(d) F.A.C.		

FLORIDA HOUSING FINANCE CORPORATION											Please check applicable box, & if Amendment, enter number								
HOUSING DELIVERY GOALS CHART#2002											New Plan:		X						
STRATEGIES FOR THE LOCAL HOUSING ASSISTANCE PLAN FOR STATE FISCAL YEAR:											Amendment:								
											Fiscal Yr. Closeout:								
Name of Local Government:							Available Funds:	\$1,455,767.00											
							A	B	C	D	E	F							
HOME OWNERSHIP STRATEGIES							VLI	Max. SHIP	LI	Max. SHIP	MI	Max. SHIP	New Construction	Rehab/Repair	Without Construction	Total	Total	Total	
							Units	Award	Units	Award	Units	Award	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	Percentage	Units	
Purchase Assistance New Construction							0	\$70,000	2	\$65,000			\$130,000.00	\$0.00	\$0.00	\$130,000.00	8.93%	2	
Purchase Assistance with Rehabilitation							2	\$70,000	5	\$65,000			\$0.00	\$565,000.00	\$0.00	\$565,000.00	38.81%	7	
Replacement Housing							0	\$0	1	\$156,000			\$156,000.00	\$0.00	\$0.00	\$156,000.00	10.72%	1	
Owner Occupied Rehabilitation							3	\$50,000	2	\$45,000	2	\$25,000	\$0.00	\$261,691.00	\$0.00	\$261,691.00	17.98%	7	
Down Payment/Closing Cost Assistance							1	\$27,500	5	\$25,500	1	\$22,500	\$0.00	\$0.00	\$197,500.00	\$197,500.00	13.57%	7	
Disaster Relief							0	\$20,000	0	\$20,000						\$0.00	0.00%	0	
Impact Fee Program							0	\$7,000	0	\$7,000						\$0.00	0.00%	0	
Water Sewer Assessment							0	\$18,000	0	\$18,000						\$0.00	0.00%	0	
Subtotal 1 (Home Ownership)							6		15		3		\$286,000.00	\$826,691.00	\$197,500.00	\$1,310,191.00	90.00%	24	
RENTAL STRATEGIES							VLI	Max. SHIP	LI	Max. SHIP	MI	Max. SHIP	New Construction	Rehab/Repair	Without Construction	Total	Total	Total	
							Units	Award	Units	Award	Units	Award	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	\$HIP Dollars	Percentage	Units	
Senior Rental Housing							0	\$30,000	0	\$30,000							\$0.00	0.00%	0
																\$0.00	0.00%	0	
																\$0.00	0.00%	0	
																\$0.00	0.00%	0	
																\$0.00	0.00%	0	
Subtotal 2 (Non-Home Ownership)							0		0		0		\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0	
Administration Fees																\$115,576.00	7.94%		
Admin. From Program Income																	0.00%		
Home Ownership Counseling																\$30,000.00	2.06%		
GRAND TOTAL							6		15		3		\$286,000.00	\$826,691.00	\$197,500.00	\$1,455,767.00	100.00%	24	
Add Subtotals 1 & 2, plus all Admin. & HO Counseling																			
Percentage Construction/Rehab							Calculate Constr./Rehab Percent. by adding Grand Total Columns A&B, then divide by Annual Allocation Amt.										76%		
Maximum Allowable Purchase Price:													New	\$258,691	Existing	\$258,691			
Allocation Breakdown							Amount	%				Projected Program Income:	\$10,000.00	Max Amount Program Income For Admin:	\$500.00				
Very-Low Income							\$436,730.00	30.0%				Projected Recaptured Funds:							
Low Income							\$946,537.00	65.0%				Distribution:	\$1,455,767.00						
Moderate Income							\$72,500.00	5.0%				Total Available Funds:	\$1,455,767.00						
TOTAL								100.0%								23-Aug-10			

Exhibit D

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Name of Local Government: City of Cape Coral

- (1) The local government will advertise the availability of SHIP funds pursuant to Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, creed, religion, color, age, sex, familial or marital status, handicap, or national origin.
- (3) A process for selection of recipients for funds has been developed.
- (4) The eligible municipality or county has developed a qualification system for applications for awards.
- (5) Recipients of funds will be required to contractually commit to program guidelines.
- (6) The Florida Housing Finance Corporation will be notified promptly if the local government (or interlocal entity) will be unable to comply with the provisions the plan.
- (7) The Local Housing Assistance Plan shall provide for the expenditure of SHIP funds within 24 months following the end of the State fiscal year in which they are received.
- (8) The plan conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the Local Housing Assistance Plan.
- (9) Amendments to the approved Local Housing Assistance Plan shall be provided to the Corporation with in 21 days after adoption.
- (10) The trust fund shall be established with a qualified depository for all SHIP funds as well as moneys generated from activities such as interest earned on loans.
- (11) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (12) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements, copies of the audits will be forwarded to the Corporation as soon as available.
- (13) An interlocal entity shall have its local housing assistance trust fund separately audited for each state fiscal year, and the audit forwarded to the Corporation as soon as possible.
- (14) SHIP funds will not be pledged for debt service on bonds or as rent subsidies.
- (15) Developers receiving assistance from both SHIP and the Low Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, Similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (16) Loans shall be provided for periods not exceeding 30 years, except for deferred payment

loans or loans that extend beyond 30 years which continue to service eligible persons.

- (17) Rental Units constructed or rehabilitated with SHIP funds shall be monitored at least annually for 15 years for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e)
- (18) The Plan meets the requirements of Section 420-907-9079 FS, and Rule Chapter 67-37 FAC, and how each of those requirements shall be met.
- (19) The provisions of Chapter 83-220, Laws of Florida ___has or X has not been implemented.

Rebecca van Deutekom
Witness

Chief Elected Official or designee

Kelley Fernandez
Witness

John J. Sullivan
John J. Sullivan, Mayor

4/29/10
Date

Exhibit E

RESOLUTION 14-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPE CORAL, FLORIDA APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS NEEDED BY THE STATE; AUTHORIZING THE SUBMISSION OF THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

WHEREAS, the State Housing Initiatives Partnership (SHIP) Act, ss. 420.907-420.9079, Florida Statutes (1992), and Rule Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used; and

WHEREAS, the SHIP Act requires local governments to establish the maximum SHIP funds allowable for each strategy; and

WHEREAS, the SHIP Act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act; The methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

WHEREAS, as required by Section 420.9075(7), F.S., It is found that 5 percent of the local housing distribution plus 5 percent 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 percent of program income for administrative costs.

WHEREAS, the Department of Community Development has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

WHEREAS, the City Council finds that it is in the best interest of the public for the City of Cape Coral to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAPE CORAL, FLORIDA that:

Section 1: The City Council of the City of Cape Coral hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for fiscal years 2010-2011, 2011-2012, 2012-2013.

Section 2: The Mayor is hereby designated and authorized to execute any documents and certifications

required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.

Section 3: This resolution shall take effect immediately upon its adoption.

ADOPTED BY THE COUNCIL OF THE CITY OF CAPE CORAL AT ITS REGULAR SESSION THIS 21st DAY OF April, 2010.


JOHN J. SULLIVAN, MAYOR


VOTE OF MAYOR AND COUNCILMEMBERS:

SULLIVAN	<u>aye</u>
MCLAIN	<u>aye</u>
BRANDT	<u>aye</u>
DEILE	<u>aye</u>
CHULAKES-LEETZ	<u>aye</u>
KUEHN	<u>aye</u>
MCGRAIL	<u>aye</u>
DONNELL	<u>aye</u>

ATTESTED TO AND FILED IN MY OFFICE THIS 29th DAY OF April, 2010.


REBECCA VAN DEUTEKOM,
CITY CLERK

APPROVED AS TO FORM:


DOLORES D. MENENDEZ
CITY ATTORNEY

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Please return this form to: SHIP PROGRAM MANAGER, FHFC 227 N. BRONOUGH ST, STE 5000
TALLAHASSEE, FL 32301 Fax: (850)488-9809

Exhibit G. Original Adopting Resolution

Exhibit H

CITY OF CAPE CORAL SUBORDINATION OF MORTGAGE POLICY PURPOSE AND INTENT

The City of Cape Coral is a recipient of State Housing Initiatives Partnership (SHIP) grant funds. The City has created public/private partnerships with several affordable housing providers in Cape Coral. These partnerships allow the non-profit agencies to implement the City's affordable housing strategies contained within the Local Housing Assistance Plan (LHAP). When assistance is provided to an eligible client, a mortgage note and mortgage are recorded at the Lee County Clerk of Courts.

During the tenure of homeownership, instances arise which necessitates refinancing of the first mortgage. In most instances, the City and the non-profit agency are listed mortgagees on the mortgage. In order for the lender to create a new loan, they require a subordination of mortgage to make the mortgage inferior to the first. In the event of foreclosure, this procedure allows the first mortgage holder to be paid first, followed by any second or tertiary mortgages. The City has been processing subordination of mortgage requests without a written policy in place. The absence of such policy undermines the City's decision to approve or deny a subordination request.

The Florida Housing Coalition (FHC) is the City's technical assistance provider regarding all SHIP related statutes and rules. The FHC has suggested that the City adopt a written policy in order to substantiate a decision regarding subordination of mortgage requests. As such, we have compiled criteria to assist with rendering a decision for subordination of mortgage requests.

Procedures for Consideration

1. All subordination of mortgage requests will commence with the sponsor agency that assisted the client. After review by the sponsor agency's Board of Directors, and/or the Executive Director, their recommendation will be forwarded to the City for consideration.
2. City Staff will review requests based on the criteria set forth in this policy and make a decision to approve or deny the request.
3. If the City recommends approval of the subordination and the amount of the mortgage held by the City of Cape Coral is \$50,000 or less, the City will forward the request to the Mayor for signature and execution.
4. All subordination of mortgages over \$50,000 must be considered by City Council.
5. If a party wishes to appeal a denial by city staff, a letter of opposition should be prepared and forwarded to the Director of Community Development. A decision of the appeal will be rendered within 30 days.

Criteria for Consideration

The primary goal of the City of Cape Coral's Affordable Housing Programs is to maintain homeownership for the purposes of accumulating equity for greater financial stability. The purpose of the program is not to redistribute wealth, but to maintain affordable homeownership. Therefore, the following criteria are taken into account when making a decision regarding subordination of mortgage requests.

1. Subordination of mortgage requests will be limited only to clients assisted by sponsor agencies.
2. All subordination requests must include a good faith estimate delineating the terms and conditions of the refinance from the lender/broker.
3. All requests forwarded to the city must include a written recommendation of approval or denial from the sponsor agency's Executive Director or Board of Directors.
4. The loan to value ratio of refinance should not exceed seventy (70) percent. This value is calculated by dividing the mortgage or loan amount by the appraised or assessed value.
5. The City will not approve subordination of mortgages that will enable the client to receive cash out for any purpose, including but not limited to, home improvement loans, bill consolidation loans, lines of credit, future advances, personal loans, medical collections, personal items such as automobiles, motorcycles, or boats, other mortgages or encumbrances or liens. However, the borrower may receive cash payments under a reverse mortgage so long as the mortgage complies with requirement six (6) below.
6. If the new first mortgage is a reverse type mortgage, the maximum lender fees cannot exceed 2% and there must not be any prepayment penalties.
7. The new first mortgage's origination fee, points, commitment fees, buy down fees and other lender charges do not exceed 2% of the loan amount.
8. The new first mortgage is a permanently fixed rate mortgage with no balloon payments and no prepayment penalty. Terms may be made for as few as ten years, and may go up to thirty years as applicable based on the original loan balance and the term remaining on the original note.
9. The borrower must have sufficient equity in the home so as not to displace the City of Cape Coral beyond a 95% loan to value ratio.
10. If the borrower has a payment type loan, the account must be current.
11. Property Taxes must not be delinquent.
12. The borrower must submit proof of homeowner's insurance.
13. If the refinancing results in a lower interest rate and lower monthly payments, thus increasing the affordability for the client, the City will look favorable upon such requests.
14. The interest rate, amount borrowed, the amount of equity the client has amassed in the property and closing costs will be examined by City Staff and will be used to base a decision whether to approve or deny a subordination of mortgage request.

Exhibit I
CITY OF CAPE CORAL
LENDER GUIDELINES

- Financing should be by institutional lenders or 501(c)3 not-for-profit agencies whose primary mission is providing affordable housing. Institutional lender is defined as any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association or other financial institution or governmental agency authorized to conduct business in this State and which customarily provides service or otherwise aids in the financing of mortgages on real property located in this State.
- No seller financing
- Fixed Interest Rate Loans – No adjustable rate mortgages (ARMS) or balloon payments
- Thirty year (30) maximum amortization
- No prepayment penalties
- Minimum buyer cash contribution is \$2,000
- Gift funds not included in buyers \$2,000 cash contribution
- Property taxes and hazard insurance must be escrowed
- Maximum debt ratios: 33% front end recommended (may be no less than 20%), will consider up to 36% on case-to-case basis; 45% back end.
- Interest rate – Fannie Mae 30 Year/60-day RNY plus 4%
- Combined loan-to-value not to exceed 100% the appraised value
- Lender fees not to exceed 3% of the loan value (application fee, closing fee, commitment fee, discount points, document preparation fee, origination fee, processing fee, underwriting fee, partner fee, mortgage broker fee, administration fee)
- Buyers may have a co-signer on loans however, if the co-signer is not a member of the household their income will not be utilized to calculate front and back end ratios for the purpose of compliance with lender guidelines
- Any exceptions to these requirements must be justified and documented to the SHIP Administrator for the City of Cape Coral