

# **CITY OF MIAMI**



**SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**FISCAL YEARS COVERED**

**2010/2011, 2011/2012 AND 2012/2013**

I. PROGRAM DESCRIPTION:

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

CITY OF MIAMI

Interlocal: Yes \_\_\_\_\_ No X\_\_\_\_\_

Name of participating local government(s) in the Interlocal Agreement;

A copy of the Interlocal Agreement is attached as Exhibit H.

B. Purpose of the program:

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

C. Fiscal years covered by the Plan:

2010 - 2011

2011 - 2012

2012 - 2013

D. Governance:

The SHIP Program is established in accordance with Sections 420.907-9079, Florida Statutes, and Chapter 67-37.007, Florida Administrative Code.

In addition, the SHIP Program will at all times be in compliance with applicable statutes and rules: 420.907-9079 Fla.Stat. and Chapter 67-37, F.A.C.

E. Local Housing Partnership

The City of Miami's SHIP Program has built active partnerships with, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups. Such partnerships include the following community housing development organizations and community development corporations.

- ◀ Allapattah Business Development Authority, Inc.
- ◀ East Little Havana Community Development Corporation
- ◀ Miami Beach Community Development Corporation
- ◀ Habitat for Humanity of Greater Miami, Inc.
- ◀ Little Haiti Housing Association, Inc.
- ◀ Neighborhood Housing Services

F. Leveraging:

As a participating jurisdiction, the City of Miami, receives HOME and CDBG funds from the U. S. Department of Housing and Urban Development. The City intends to use these funds to leverage SHIP funds thereby reducing the cost of housing.

In addition, the City plans to use SHIP funds for developers to use as local match to leverage additional HOME, Housing Tax Credits or SAIL from Florida Housing Finance Corporation.

G. Public Input:

Public input was solicited through face to face meetings with housing providers, social service providers, local lenders and neighborhood residents through public meetings in each of the 5 Commission Districts of the City. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach

The City advertises the notice of funding availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

I. Discrimination:

In accordance with the provisions of ss.760.20-760.37, Fla. Stat., 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:

Applicants applying for SHIP funding receive support services from various sources based on the type of assistance requested. These services are in the form of counseling and or referral to other programs that provide services they may need. The City of Miami works with the non-profit housing community to provide support services to those residents/homeowners participating in the various housing programs. The services include, but are not limited to:

- Assistance/referral to Legal Services of Miami, Inc. to homeowners who have

title problems or outstanding liens that would prohibit their participation in the program.

- Referrals to other agencies and programs to applicants that do not qualify for assistance.
- Assist homeowners participating in the Single Family Rehabilitation and Single Family Housing Replacement Programs throughout the rehabilitation / reconstruction process, from the time of application until project completion.
- Referrals to consumer credit clinics and homebuyer pre and post purchase counseling programs as well as foreclosure prevention programs provided by local lenders and non-profit organizations.
- Referrals to agencies funded by the South Florida Employment and Training Consortium for employment and job training.
- Referrals to appropriate local agencies for fair housing assistance, information and counseling.

K. Purchase Price Limits:

Purchase Price Limits: The sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be 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 percent of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

Independent Study (copy attached)

U.S. Treasury Department

Local HFA Numbers

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

L. Income Limits, Rent Limits and Affordability:

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. Affordable means that monthly rents or mortgage payments, including taxes and insurance, do not exceed 30 percent of that amount

which represents the percentage of the median annual gross income for the households as indicated in sections 420.9071 (19), (20) and (28), Fla.Stat. However, it is not the intent to limit an individual household's ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent 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 percent benchmark, and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

M. Welfare Transition Program:

Should an eligible sponsor be used, the city/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 employed personnel from the Welfare Transition Program will be given preference in the selection process.

N. Monitoring and First Right of Refusal:

In the case of rental housing, the City of Miami shall annually monitor and determine tenant eligibility. In cases where another governmental entity provides the same monitoring and determination, the City 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 annually for at least 15 years or the term of assistance, whichever is longer, unless as specified above.

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

O. Administrative Budget:

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

The City of Miami finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, 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 percent of program income deposited into the trust fund, except that small counties, as defined in 120.52(17), Fla. Stat., and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.

The City of Miami 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 Miami, Department of Community Development. The City does not anticipate contracting the administration of the program to another entity.

Q. Essential Service Personnel:

In accordance with Chapter 67-37.002(8), F.A.C. and Chapter 67-37.005(8), F.A.C. and section 420.9075(3)(a), Fla.Stat., the City of Miami defines Essential Service Personnel as follows:

Essential Services Personnel means any person in need of affordable housing, who is classified as a permanent employee of a company or organization located within the City of Miami in the following areas:

- i. Educational services
- ii. Health Care industry
- iii. Law Enforcement
- iv. Fire Safety and Emergency Services
- v. Criminal Justice System
- vi. City Government

R. Initiatives for Green Building Design and Techniques:

In accordance with Section 420.9075(3)(d), Fla.Stat., the City of Miami is committed to making the City's housing stock more energy efficient, as a result the City of Miami will require the use of the following features when economically feasible in the rehabilitating or constructing of homes:

- i. Water-Conserving Appliances and Fixtures (toilets, shower heads, faucets)
- ii. Energy Star Appliances (refrigerator and stove)
- iii. Efficient Lighting Interior / Exterior
- iv. Upgrading of Insulation (attics, walls and new roofing materials)
- v. Tank Less Water Heaters
- vi. Water -Permeable Walkways
- vii. Air Conditioning Units with a higher Seer Rating
- viii. Construction Waste Management

**LHAP HOUSING STRATEGIES:** *Chapter 67-37.005(5), F.A.C.*

**A. Name of the Strategy: SHIP Emergency Home Repair Assistance**

**a. Summary of the Strategy:**

The Ship Emergency Home Repair Assistance Program will provide emergency repair assistance to very low, low and moderate income owner occupied single family homes located within the corporate limits of the City of Miami. The City will provide deferred payment loan assistance to an eligible homeowner to carry out limited repairs such as roofing, electrical and plumbing to immediately rectify life hazardous and potentially hazardous conditions that threaten the safety and health of the occupants of the home.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

Available SHIP funds shall be reserved for housing units occupied by income eligible persons or households. To comply with the overall requirements under Chapter 67-37, of the F.A.C., eligible persons or households will be very low, low and moderate income.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

The maximum award under this strategy will be \$15,000.

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

Financial assistance to be provided under the SHIP Emergency Home Repair Program will be provided to eligible homeowners in the form of zero percent (0%), deferred forgivable payment, ten (10) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. The loan will be forgiven at the end of the ten (10) years. However, repayment of the full principal balance of the loan is required if the property receiving the financial assistance is rented, leased or sold during the life of the loan.

Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on income and household size, remain owner occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note. An heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the full loan amount provided by the City of Miami

**f. Recipient Selection Criteria:**

All recipients of assistance must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Resolution and this Plan. Eligible housing includes single family homes, owner-occupied town houses or twin homes and condominium units. Duplexes and properties with more than one unit, except condominiums or town homes are not eligible for assistance. In addition, as per the SHIP regulations, mobile homes are not eligible for assistance under this program. The properties to be assisted must be owner-occupied and located within the corporate limits of the City of Miami.

Applications will be processed on a first-come-first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

- Applicants with household income above (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- Staff will review actual performance data on a continuous basis to ensure that adjustments are made as necessary to remain in compliance with funding requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.
- Preference will be given to eligible “Persons Who Have Special Housing Needs” and elderly (62 years or older) households and homeowners.
- Persons Who Have Special Housing Needs is defined as individuals who have incomes not exceeding moderate-income and because of particular social, economic, or health related circumstances, have a greater difficulty acquiring or maintaining affordable housing as stipulated in Chapter 67-37.002 (21), F.A.C.

- The appraised value of the home may not exceed the maximum sales price (value) allowed under the SHIP Program.
- The property must require needed repairs such as roofing, electrical and plumbing to meet the decent, safe and sanitary standard to immediately rectify hazardous and potentially hazardous conditions.
- The maximum amount of financial assistance to be provided may not exceed the lesser of (1) the actual cost of rehabilitation or (2) \$15,000.
- The applicant may not be delinquent on any debt owed to the City of Miami or Miami-Dade County.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6)(b)7, F.A.C., to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include, but are not limited to, the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- Sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;

- The soundness of the proposal;
- The cost per family to administer the program; and
- All sponsors must be in good standing with the City.

**B. Name of the Strategy: Single Family Rehabilitation Assistance**

**a. Summary of the Strategy:**

The Single Family Rehabilitation Program will provide rehabilitation assistance to very low, low and moderate income residents who live in single family owner-occupied properties located within the corporate limits of the City of Miami. The City will provide deferred payment loan assistance to an eligible homeowner to complete needed repairs such as roofing, plumbing and electrical work to meet the decent, safe and sanitary standard conditions after rehabilitation.

The City of Miami, Department of Community Development, will be the primary agency responsible for the implementation of the Local Housing Assistance Plan Strategy.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

This strategy will serve very low, low and moderate income families as stipulated in Chapter 67-37, F.A.C.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded a maximum of \$35,000 to complete all needed repairs to bring the property to a safe and decent standard.

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

Financial assistance to be provided under the Single Family Rehabilitation Program will be provided to eligible homeowners in the form of a three percent (3%), deferred forgivable payment, ten (10) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. The loan will be forgiven at the end of the ten (10) years. However, repayment of the full principal balance and accrued interest of the loan is required

if the property receiving the financial assistance is rented or sold during the life of the loan.

Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on the original terms and conditions provided to the homeowner, as long as the heirs qualify based on age, income and household size, remain owner occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note. An heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the balance of the outstanding loan amount provided by the City of Miami.

**f. Recipient Selection Criteria:**

All recipients of assistance must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Ordinance, Resolution and this Plan. Eligible housing includes single family homes, owner-occupied town houses, twin homes or condominiums only. Duplexes and properties with more than one unit, except condominiums or town homes are not eligible for assistance. In addition, as per the SHIP regulations, mobile homes are not eligible for assistance under this program. The properties to be assisted must be owner-occupied and located within the corporate limits of the City of Miami.

Applications will be processed on a first-come-first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

- Applicants with household income above (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- Staff will review actual performance data on a continuous basis to ensure that adjustments are made as necessary to remain in compliance with funding requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.

- Preference will be given to eligible “Persons Who Have Special Housing Needs” and elderly (62 years or older) households and homeowners.
- The property must be located in the City of Miami.
- The appraised value of the home may not exceed the maximum purchase price limits (value) allowed under the SHIP Program.
- The property must require needed repairs such as roofing, plumbing and electrical work to meet the decent, safe and sanitary standard conditions after rehabilitation.
- The applicant may not be delinquent on any debt owed to the City of Miami.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6) b(7), F.A.C., to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include, but are not limited to, the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- Sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;

- The soundness of the proposal;
- The cost per family to administer the program; and
- All sponsors must be in good standing with the City.

**C. Name of the Strategy: Single Family Replacement Home Program**

**a. Summary of the Strategy:**

The Single Family Replacement Housing Program is designed to address substandard and dilapidated housing units that the cost of repairs or poor housing conditions cannot be addressed through the SHIP and HOME assisted Single Family Rehabilitation Programs.

Under this strategy, only single family residential properties which are beyond repair and unsafe for human habitation will be provided assistance. The Single Family Housing Inspection Unit will determine the economic feasibility (cost) of the rehabilitation and soundness of the structure, in consultation with the City of Miami Building Department.

The SHIP funds will be used to defray the cost of temporary relocation expenses, demolition of the dilapidated structure, soft and hard construction costs associated with the reconstruction of the new home. This strategy will be used primarily to assist existing owners of single family homes where the most appropriate solution to their housing problem would be to demolish the existing structure and replace it with a newly constructed housing unit on the existing lot.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years:  
2010-2011, 2011-2012 and 2012-2013.

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

Available SHIP funds shall be reserved for housing units occupied by income eligible persons or households. To comply with the overall requirements under Chapter 67-37, F.A.C., eligible persons or households will be very low, low and moderate income

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded a maximum of \$150,000

for temporary relocation expenses, demolition of the dilapidated structure, and all costs associated with the reconstruction of the new home.

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

Financial assistance under the Single Family Replacement Housing Program will be provided to eligible homeowners based on incomes adjusted for household size. The terms will be a zero percent (0%) deferred forgivable payment thirty (30) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. The loan will be forgiven at the end of the thirty (30) years.

Persons or households that qualify and receive financial assistance must execute a Deferred Payment Loan Mortgage and Note that will be recorded in the records of the Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program. This mortgage will remain against the property for thirty (30) years.

If the property is rented, leased or sold during the thirty (30) year period, then the loan will become due and payable to the City of Miami at that time. In the event of death of all eligible homeowner(s), the heir to the property can assume the obligation of the original owner as long as the heirs are income eligible, remain owner-occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note.

**f. Recipient Selection Criteria:**

All recipients of financial assistance must meet the eligibility requirements as provided in the Florida Statutes, Florida Administrative Code, the SHIP Program Ordinance, Resolution, the Plan and this Strategy. Eligible housing includes single family owner-occupied homes that have been determined by the housing inspector, in consultation with the Department of Building, to be beyond repair, unsafe for human habitation and suitable for demolition. Mobile homes will not be a type of replacement home offered under this strategy. The properties to be assisted must be the primary residence of the owner and the property must be located within the corporate limits of the City of Miami.

Applicants will be selected from an existing waiting list, on a first come first serve basis, subject to funding availability and in such a manner as to comply with the statutory requirements:

- Applicants with household income above one hundred and twenty percent (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- For eligible persons or households who are building a new home on land that they own, a State-certified Appraiser will determine the sales price or value of the newly constructed unit. The appraisal must include the land value and the after construction value of the property and must be dated within twelve (12) months of the date construction is to commence.
- The amount of the financial assistance provided will be the full cost of demolition, temporary relocation and reconstruction of the property, to include hard and soft costs, not to exceed \$150,000.

The following costs associated with this strategy are eligible:

1. Hard costs, which are typical and customarily viewed as construction cost(s) by institutional lenders;
2. Payment of impact fees;
3. Infrastructure fees typically paid by the developer;
4. Construction soft cost such as architectural and engineering fees, appraisals, if directly related to housing construction; and
5. Temporary relocation cost associated with the reconstruction of the home.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6) b7, F.A.C., to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include, but not be limited to, the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;

- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- Sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program; and
- All sponsors must be in good standing with the City.

**D. Name of the Strategy: SHIP Homebuyers Financing Program**

**a. Summary of the Strategy:**

The City of Miami through the Homebuyers Financing Program will provide down payment, closing cost and/or mortgage financing assistance to eligible persons and households who are first time homebuyers to purchase a newly constructed or existing residential property within the City of Miami. The strategy will be available to assist very low, low and moderate income residents to purchase a single family home, town home or condominium.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

This strategy will serve very low, low and moderate income families in proportions as stipulated in the SHIP Statutes and Chapter 67-37, F.A.C.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded a maximum amount based on the number of bedrooms as shown in the chart below. However, the amount cannot be more than \$86,020 or the amount necessary to meet the first lenders credit criteria, whichever is lower.

Number of bedrooms	0	1	2	3
Maximum Subsidy	\$48,328	\$55,722	\$67,202	\$86,020

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

Financial assistance to be provided under the SHIP Homebuyer Financing Program will be provided to eligible homeowners in the form of a zero percent (0%), deferred payment thirty (30) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. Recipients will be required to resell the property to income eligible homebuyers approved by the City. The principal will be forgiven at maturity of the loan.

Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the case of sale or transfer of the unit, the City will share in the gain realized by the borrower according to the following schedule:

- a. 0 to 3 years – 100% of the City’s pro rata share of the gain generated.
- b. 3 – 20 years – On the 3<sup>rd</sup> year, City receives 85% of the City’s pro rata share of the gain generated and borrower receives 15%. Thereafter, the borrower receives additional 5% of the City’s prorated share per year reducing the City’s share by the same percentage.
- c. Year 20 and above: The borrower receives 100% of the gain.

The above gain sharing proposal will terminate in foreclosure; however, the City will require lenders to provide us a right of first refusal to purchase the loan at a negotiated price. In the case of a foreclosure, the City will recapture any amount of net proceeds from the sale of the property.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on income and household size, remain owner occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note. A heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the outstanding loan amount provided by the City of Miami.

**f. Recipient Selection Criteria:**

Applications will be processed from an existing waiting list or through applications received from advertisements on a first-come, first ready, first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.
- The property must be located in the City of Miami.
- The appraised value of the home may not exceed the maximum purchase price limits (value) allowed under the SHIP Program for new and existing homes.
- The property must meet safe and sanitary standard conditions at closing or funds must be held in escrow to bring it to safe and sanitary standards after closing.
- The applicant may not be delinquent on any debt owed to the City of Miami or Miami-Dade County.
- Applicants purchasing Mobile homes are not eligible for funding under this strategy.
- Manufactured housing constructed after June 1994 is considered eligible housing, so long as no more than 20% of the SHIP distribution is devoted to this type of housing, as referenced in Section 420.9075(5)(c), F.S.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6) b (7), F.A.C., to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for Proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include, but are not limited to, the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- Sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program; and
- All sponsors must be in good standing with the City.

**E: Name of the Strategy: Disaster Relief**

**a. Summary of the Strategy:**

The disaster relief program offers deferred payment loan assistance to very low, low and moderate income households whose homes need repair to correct life threatening, health and safety defects after a natural disaster or to make immediate repairs to prevent or correct exposure of the property to the environment. This strategy will only be implemented when a disaster is declared by an Executive Order.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

Available SHIP funds shall be reserved for housing units occupied by income eligible persons or households. To comply with the overall requirements under Chapter 67-37, F.A.C., eligible persons or households will be very low, low and moderate income.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

The maximum award under this strategy will be \$15,000

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

Financial assistance to be provided under the SHIP Emergency Home Repair Program will be provided to eligible homeowners in the form of zero percent (0%), deferred forgivable payment ten (10) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. The loan will be forgiven at the end of the ten (10) years. However, repayment of the full principal balance of the loan is required if the property receiving the financial assistance is rented, leased or sold during the life of the loan.

Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on income and household size, remain owner occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note. A heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the full loan amount provided by the City of Miami

**f. Recipient Selection Criteria:**

All recipients of assistance must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Resolution and this Plan. Eligible housing includes single family homes, owner-occupied town houses or twin homes, condominium units and manufactured homes constructed after June 1994. Duplexes and properties with more than one unit, except condominiums or town homes are not eligible for assistance. In addition, as per the SHIP regulations, mobile homes are not eligible for assistance under this

program. The properties to be assisted must be owner-occupied and located within the corporate limits of the City of Miami.

Applications will be processed on a first-come-first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

- Applicants with household income above (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- Staff will review actual performance data on a continuous basis to ensure that adjustments are made as necessary to remain in compliance with funding requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.

Preference will be given to eligible “Persons Who Have Special Housing Needs” and elderly (62 years or older) households and homeowners

- The appraised value of the home may not exceed the maximum sales price (value) allowed under the SHIP Program.
- The property must require needed repairs such as roofing, electrical and plumbing to meet the decent, safe and sanitary standard to immediately rectify hazardous and potentially hazardous conditions.
- The maximum amount of financial assistance to be provided may not exceed the lesser of (1) the actual cost of rehabilitation or (2) \$15,000.
- The applicant may not be delinquent on any debt owned to the City of Miami or Miami-Dade County.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6)(b)7, F.A.C., to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for Proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include, but are not limited to, the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- Sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program; and
- All sponsors must be in good standing with the City.

**F. Name of the Strategy: SHIP Foreclosure Prevention Program**

**a. Summary of the Strategy:**

The City of Miami through the Foreclosure Prevention Program will provide financial assistance to eligible persons and households who are facing foreclosure. The strategy will be available to assist very low, low and moderate income residents bring their mortgage current by paying delinquent mortgage payments (PITI), late fees, attorney's fees, homeowners' association payments, special assessments, taxes insurance and other foreclosure associated costs.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

This strategy will serve very low, low and moderate income families in proportions as stipulated in the SHIP Statutes and Chapter 67-37, F.A.C.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded an amount not to exceed \$7,500 or the amount necessary to bring the property out of foreclosure, whichever is lower.

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

Financial assistance to be provided to eligible homeowners in the form of a zero percent (0%), deferred payment ten (10) year loan. The loan will be forgiven at the end of the ten years. There are no monthly payment requirements associated with this loan. There is no amortization of this loan.

In the case of sale or transfer of the unit or rental of property within the 10 year period, the entire assistance amount will be due and payable.

**f. Recipient Selection Criteria:**

Applications will be processed through applications received from advertisements on a first-come, first ready, first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit with homestead exemption.
- The property must be located in the City of Miami.
- The appraised value of the home may not exceed the maximum sales price (value) allowed under the SHIP Program.
- Mobile homes are not eligible for funding under this strategy.

- Manufactured housing constructed after June 1994 is considered eligible housing, so long as no more than 20% of the SHIP distribution is devoted to this type of housing, as referenced in Section 420.9075(5)(c), F.S.
- The homeowner must demonstrate their ability to make future mortgage payments after assistance is received and provide a revised monthly budget.
- The homeowner must prove that delinquency is due to a significant loss of household income (loss of employment, sudden medical illness or expenses, divorce or separation), death in family, predatory lending practices, reset of an adjustable rate mortgage and unforeseen/unexpected/unanticipated home repairs.
- The homeowner can apply only once for the Foreclosure Prevention Program.
- The homeowner must undergo Foreclosure Prevention counseling from a HUD-certified Counseling Agency.
- The homeowner must not own any other property at the time of assistance.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6) b (7), F.A.C., to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for Proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include but not be limited to the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;

- Sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program; and
- All sponsors must be in good standing with the City.

**G. Name of the Strategy: SHIP Homeownership Development Program**

**a. Summary of the Strategy:**

The SHIP Homeownership Program is designed to promote and create affordable homeownership opportunities for very low, low and moderate income families and individuals. SHIP Program funds reserved for this strategy will be used to assist not-for-profit and for profit housing developers or the City. SHIP funds reserved for this strategy will be utilized by the City of Miami to finance the project cost associated with site development, hard and soft construction financing and permanent financing associated with the development of affordable housing units by for-profit and not-for-profit housing developers or the City.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

This strategy will serve very low, low and moderate income families in proportions as stipulated in the SHIP Statutes and Chapter 67-37, F.A.C.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Developments meeting the selection criteria will be awarded a maximum amount per unit based on the number of bedrooms as shown in the chart below:

Number of bedrooms	0	1	2	3
Maximum Subsidy	\$48,328	\$55,722	\$67,202	\$86,020

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

The financial assistance provided under this strategy to the developer consists of a deferred payment loan. The assistance provided under this strategy will be provided in the form of a construction loan at zero (0%) percent interest with no monthly payments associated with the loan during the construction phase. Once the developer has successfully completed the construction the average subsidy per unit provided to the development during construction shall be passed through to the eligible homebuyer in the form of a permanent mortgage loan as described in the Homebuyers Financing Program Strategy as previously outlined in this Plan.

In the event through no fault of the developer the project suffers a reduction in market value, the City reserves the right to allow for a buy-down (forgiveness) equal to the difference between the project development cost and market value.

Financial assistance provided to a project in the form of permanent second mortgage financing for the homebuyers will be provided to eligible households based on the same criteria as described in the Homebuyers Financing Program Strategy as previously outlined in this Plan.

**f. Recipient Selection Criteria**

SHIP funding to be provided by the City of Miami under the Homeownership Development Program strategy will be awarded through a Request for Proposals process.

Any SHIP Program allocation including the term of the loan will be recommended by City staff to the City’s Housing and Commercial Loan Committee for approval/disapproval based on the following criteria:

- Project feasibility and ability of the developer/sponsor to commence construction within six (6) months funding award.
- Evidence of availability of construction and first mortgage financing.
- Consistency with the City’s Five (5) Year Consolidated Plan (2009-2013).

- Ability to demonstrate project will be affordable to low and moderate income households.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program.

**H. Name of the Strategy: SHIP Rental Housing Development Program**

**a. Summary of the Strategy:**

The SHIP Rental Housing Development Program is designed to promote and create affordable housing opportunities for very low, low, and moderate income families and individuals. SHIP Program funds reserved for this strategy will be used to assist not-for-profit and for profit housing developers or the City. SHIP funds reserved for this strategy will be utilized by the City of Miami to finance the project cost associated with site development, hard and soft construction financing and permanent financing associated with the development of affordable housing units by not-for-profit housing developers or the City.

**b. Fiscal Years Covered:**

The strategy identified in this section will cover the following fiscal years: 2010-2011, 2011-2012 and 2012-2013.

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

This strategy will serve very low, low and moderate income families in proportions as stipulated in the SHIP Statutes and Chapter 67-37, F.A.C.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Developments meeting the selection criteria will be awarded a maximum of forty thousand dollars (\$40,000) per unit.

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

The financial assistance ~~provided~~ under this strategy to the developer will be provided as a deferred payment construction/permanent loan. There will be no monthly payments associated with the loan during the construction phase. Upon completion of the construction period and upon the project obtaining a certificate of occupancy, the loan shall convert to a permanent loan at a rate of zero (0%) to three (3%) amortized for thirty (30). During the underwriting stage, the level of financial assistance , the interest rate (if any) and the terms provided are

determined based on the projects ability to generate cashflow sufficient to secure all private and public financing needed to successfully complete the development cost. Typically, a project's needs to generate cash flow sufficient to result in a debt service ratio of 1.15.

Once the developer has successfully completed the construction and all the housing units are occupied by income eligible renters, the City of Miami will fully satisfy the developer's obligation to the City in connection with the financing of the project. Financial assistance made to the developer as a grant will also be satisfied upon completion of the construction phase and all the housing units have been occupied.

Recipients of funding under this strategy will be required to make the property affordable for a period of not less than twenty years (20) years.

- Project feasibility and ability of the developer/sponsor to commence construction within twelve (12) months funding award.
- Evidence of available of construction and first mortgage financing.
- Consistency with the City's Five (5) Year Consolidated Plan (2009-2013).
- Ability to demonstrate project will be affordable to low and moderate income households.

**f. Recipient Selection Criteria:**

SHIP funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. Through the City of Miami's solicitation, proposals will be received from for-profit and not-for-profit housing developers for the construction of new affordable housing units targeted for very low, low, and moderate income families and individuals.

All housing developers applying for financial assistance under the strategy will be awarded SHIP funding using criteria, including, but not limited to the following:

- Financial capacity and strength of the not-for-profit or for-profit housing developer;
- Ability of not-for-profit or for-profit housing developer to complete the housing project by the expenditure deadline requirements established by the SHIP Program and State of Florida;

- Ability to document/demonstrate that construction will be underway within six (6) months from the date of funding award by the City;
- Firm evidence of site control;
- Document and/or identify other project financing from other public and/or private sources which would leverage financial assistance provided by the City at a minimum of one (1) to five (5) for rental projects as stipulated by City of Miami's Resolution No. 98-587 adopted June 9, 1998; and
- Consistency with the City of Miami's Five Year Consolidation Plan (2009-2013) and SHIP Local Housing Assistance Plan (2010 – 2013).

All recipients or households that will receive housing assistance under this strategy once the housing project has been completed must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Program Ordinance, Resolution, the Plan and this strategy. Only multi-family housing will be eligible under this strategy. The properties to be developed must be located within the corporate limits of the City of Miami.

The non-for-profit or for-profit housing developer(s) must rent the newly constructed housing units to an eligible household on a first come first-served basis.

The following expenditures shall qualify and will be eligible under this strategy:

- Those hard costs which are typical and customarily treated as construction costs by institutional lenders;
- Construction costs, such as architectural, engineering studies and appraisals, if directly related to housing construction;
- Infrastructure expenses typically paid by the developer;
- Payment of impact and permitting fees; and
- Costs associated with land acquisition and site development.

Any SHIP Program allocation including the term of the loan will be recommended by City staff to the City's Housing and Commercial Loan Committee for approval/disapproval based on the criteria enumerated above.

The City shall annually monitor and determine tenant eligibility. In cases where another governmental entity provides the same monitoring and determination, the

City 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.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program

**III. LHAP INCENTIVE STRATEGIES**

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

A. Name of the Strategy: Expedited Permitting  
Permits as defined in s. 163.3164(7) and (8), Fla. Stat., for affordable housing projects are expedited to a greater degree than other projects.

a. Established policy and procedures:

In March, 2007, the City of Miami revamped its policy and procedures related to expedited permitting. A copy of the Policy and Procedure is attached as Exhibit I.

B. Name of the Strategy: Ongoing Review Process

The City has an ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

a. Established policy and procedures:

The Department of Community Development conducts on-going reviews of actions being considered by the City of Miami's Planning Advisory Board, Zoning and Code Enforcement Boards and the City Commission that are being considered and may have an impact on affordable housing. Any new ordinance or resolution to be presented to the City Commission is reviewed by head of departments. This provides an opportunity for the department director to bring all items affecting affordable housing to the department for further review and analysis. Such input is presented to the department responsible for the ordinance or resolution for consideration.

IV. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan. Exhibit A.
- B. Timeline for Encumbrance and Expenditure: Chapter 67-37.005(6) (d) and (f), 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: Has not changed from original.  
If changed from the original ordinance, a copy is attached as Exhibit G.
- H. Interlocal Agreement:  
A copy of the Interlocal Agreement if applicable is attached as Exhibit H.
- I. Expedited Permitting Policy  
A copy of the policy for expedited permitting is attached as Exhibit I