



**CITY OF CLEARWATER, FLORIDA**



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

**2024-2025, 2025-2026, 2026-2027**



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**I. Program Details:**

**A. LG(s)**

Name of Local Government	City of Clearwater
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	N/A

**B. Purpose of the program:**

- To meet the housing needs of the very low-, low- and moderate-income households;
- To expand production and preservation of affordable housing; and
- To further the housing element of the local government comprehensive plan specific to affordable housing.

**C. Fiscal years covered by the Plan:** 2024-2025, 2025-2026, 2026-2027

**D. Governance:** The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

**E. Local Housing Partnership:** The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services, and lead agencies of the local continuums of care.

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

**G. Public Input:** Public input was solicited through face-to-face meetings with housing providers, social service providers, and local lenders and neighborhood associations. 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:** SHIP funding availability shall be advertised 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. Waiting List/Priorities:** A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan.



The following priorities for funding (very low income, Special Needs, etc.) described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

1. Special Needs Households:
  - a. Very low
  - b. Low
  - c. Moderate
  
2. Essential Services Personnel:
  - a. Very low
  - b. Low
  - c. Moderate
  
3. After Special needs and Essential Services Personnel goals are met:
  - a. Very Low
  - b. Low
  - c. Moderate

**J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.

**K. Support Services and Counseling:** Support services are available from various sources. Available support services may include, but are not limited to, Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, and Transportation.

**L. 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 average area purchase price established by the U.S. Treasury Department or as described above. Current purchase price limits can be found here: **Purchase Price Limits**

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

**M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at [www.floridahousing.org](http://www.floridahousing.org).

*“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.*

- N. Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, 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.
- O. Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any 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 periodic 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 \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 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.
- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The city/county finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states:** “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.”

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states:** “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 those small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.”

The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Admin. Fee Percentage
Local Government		7%
Third Party Entity/Sub-recipient		3%



- R. First-time Homebuyer Definition:** For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*
- S. Project Delivery Costs:** Project Delivery Costs will not exceed \$5,000 per project. Project delivery costs for the New Construction, Acquisition of Existing Home with or without Rehabilitation, Owner-Occupied Rehabilitation, Rental including project-related activities, such as: performing inspections, developing work write-ups, performing construction bid tasks, managing construction contracts, and approving change orders and project payments. Project delivery costs for the Purchase Assistance Strategy includes inspections of the housing units.
- T. Essential Service Personnel Definition (ESP):** ESP includes teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, and skilled building trades personnel.
- U. Describe efforts to incorporate Green Building and Energy Saving products and processes:**  
The City will ensure that projects involving SHIP dollars will incorporate green building and energy saving products. The Housing Rehabilitation, Housing Reconstruction, Multifamily Rental Construction and Single-Family New Construction Strategies judiciously adhere to the U.S. Department of Housing and Urban Development's cost-effective energy conservation standards in consideration of economic feasibility for each project.
- When new appliances are to be installed, they are to be Energy Star™ rated to reduce the energy consumption of the residence which is being rehabilitated.
  - The addition of insulation in the attic to a nominal level of R30 to further reduce the energy consumption of cooling and heating units.
  - Installing new HVAC units which use less energy by being more efficient than previously installed units. The units must conform to the Florida Building Code and the Florida Energy Code (minimum of SEER 14) and they must be correctly sized for the building.
  - When new HVAC ducts are installed, they are required to be insulated to a minimum of R-8 in accordance with the Florida Energy Code.
  - Replacement windows are to be hurricane impact, insulated and Energy Star™ A.N.S.I.A 134.1, NFRC rated.
  - Replacing doors with new engineered products which creates better air sealing with the program required weather-stripping as well as being better constructed and more sustainable than existing products.
- V. Describe efforts to meet the 20% Special Needs set-aside:** The City of Clearwater will market its programs, with priority given to households with special needs. The Special Needs set-aside will be met through all



strategies with particular attention given to the owner-occupied rehabilitation and multi-family new construction/rehabilitation strategies. The City of Clearwater will give first priority, in all housing strategies, to serving persons with special needs with an emphasis on removing barriers. Florida Statutes 420.0004(13) defines Special Needs.

**W. Describe efforts to reduce homelessness:** The City of Clearwater initiated and maintains a comprehensive and holistic approach by establishing the City Homeless Initiative Program. The Homeless Initiative Program provides homeless individuals and families access to comprehensive services. The city has committed its support to organizations that provides wrap-around services that address the root causes of homelessness. In addition, the city contributes financially to the Homeless Leadership Alliance (HLA) which is the umbrella organization overseeing the continuum of care providers and the HMIS Homeless Management Information System in Pinellas County. The following are some of the ways in which city funds are being used to provide services to individuals and families experiencing homelessness.

- Overnight emergency, transitional, or permanent housing to homeless individuals and/or families.
- Delivery of case management.
- Transportation services for veterans to Bay Pines Hospital.

**Section II. LHAP Strategies:**

<b>A. PURCHASE ASSISTANCE WITH REHABILITATION</b>	Code 1, 9
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a. **Summary:** The City of Clearwater through eligible developers (for profit and non-profit) will use SHIP funds to acquire, rehabilitate and resell single-family housing units. The costs may include acquisition, rehabilitation (to include innovative design and green principles) and other costs associated with the resale of the single-family housing units.

The City may use SHIP funds as a match for the HOME program to loan funds to eligible developers for acquisition and rehabilitation of existing housing units. Assistance will be repaid when the unit is sold to an eligible buyer.

Under this strategy, the Community Land Trust principles may be utilized. The Community Land Trust become stewards of the land and maintain it permanently beginning with a ninety-nine year, renewable ground lease. Developers and non-profits may purchase homes to be placed in a Community Land Trust. The homebuyers only own their home and sign a long-term lease on the land their home sits on. This ensures the affordability of the home because the homebuyer only obtains a mortgage on the structure.

**For the Homebuyer:**  
 The City of Clearwater through its housing programs and through its sub-recipients will use SHIP funds to provide down payment and closing costs assistance to eligible very-low-to moderate homebuyers of existing rehabilitated homes.

b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027



- c. **Income Categories to be served:** Very low, low and moderate
- d. **Maximum Award:** \$300,000 per unit per the developers/nonprofits (including project delivery costs); \$77,000 for the homebuyer (\$75,000 Purchase Assistance loan + \$2,000 project delivery costs). For homebuyers, maximum assistance will be limited to gap financing, the lender's minimum down payment and reasonable closing costs, but shall not exceed \$75,000.

e. **Terms:**

**For the Developer:**

1. Repayment loan/deferred loan/grant: Deferred payment mortgage and note not to exceed 24 months
2. Interest Rate: 0%
3. Years in loan term: Not to exceed 2 years
4. Forgiveness: N/A
5. Repayment: The loan is repaid when the house is sold, less a developer fee up to 15% of the construction costs. The developer fee is calculated as a percentage of the total development costs. Additionally, if the developer earns a return on investment (ROI) of less than 12% of total development costs, then the loan repayment amount will be reduced to provide for a 12% ROI. For the purposes of making this calculation, the developer fee is considered part of ROI. Additional information is available in the city's Single-Family New construction Developer Subsidy Policy which can be found here: <https://www.myclearwater.com/files/sharedassets/public/v/1/doing-business-in-clearwater/house-amp-development-grants-incentives-and-assistance/documents/single-family-new-construction-developer-subsidy-policy.pdf>
6. Default: The loan becomes due and payable if, at end of the loan term, the home is not sold, or if the home does not have a sales contract

**For the Homebuyer:**

1. **Repayment loan/deferred loan/grant:** Funds will be awarded as an amortized loan and forgivable loan secured by a recorded subordinate mortgage and note.
2. **Interest Rate:** 0%
3. **Years in loan term:** 25
4. **Forgiveness:** 50% of the loan is deferred for the loan term and forgiven at maturity if no event of default exists. For Very Low-income clients, 100% of the loan will be forgiven at the end of the loan term.
5. **Repayment:** Payments on the amortized amount will commence after the deferral period of five (5) years and be amortized over twenty (20) years
6. **Default:** The loan will be determined to be in default if any of the following occurs during the loan term.
  - a) Death of the borrower(s). In the event the homeowner dies, this strategy allows for assumption by eligible heirs.
  - b) Upon sale or transfer of title
  - c) Property is vacated and is no longer the primary residence of the borrowers
  - d) Property is converted into rental unit
  - e) Any refinancing with cash out or debt consolidation



- f) Loss of homeowners insurance
- g) Loss of homestead exemption status
- h) Failure to pay property taxes

In the event of non-payment or other default above, the City will follow its “Economic Development Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy.” Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of 3% per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall constitute a waiver of the right as to any continuing failure or breach of any subsequent failure or breach.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. (1) of this plan. To qualify for assistance, an eligible buyer must meet the following requirements:
  - 1. The applicant is not required to be a First-Time Homebuyer to qualify for assistance, but they cannot own a property serving as the principal residence at the time of closing.
  - 2. In addition, households that have been assisted with any City’s funds in the past are ineligible to receive funding again through any of the Housing Division’s Programs, unless the prior assistance has been paid in full and a Satisfaction of Mortgage executed and recorded in Public Records, or unless there is some form of “hardship” as defined. Examples of hardship include divorce, permanent layoff, physical or mental disability, fire, flood, or natural disaster or the death of a family member. Hardship determination will be determined and approved on a case-by-case basis by the Director of the Department.
  - 3. The Borrower must have sufficient cash reserve, after closing, of at least 2 times the total monthly housing expenses, including PITI and any association fees.
- g. **Sponsor Selection Criteria:** All program sponsors will be selected using a competitive application process. Eligible sponsors that provide assistance under this program will be required to contractually commit and comply with all SHIP program requirements.
- h. **Additional Information:**  
To qualify for Purchase Assistance:
  - 1. Applicants must be able to obtain a first mortgage from a licensed lending institution.
  - 2. The first mortgage cannot exceed a term of thirty (30) years, the Lender fees are limited to 4% of the loan amount.
  - 3. Maximum DTI ratio should not exceed 50%



4. Households with liquid assets greater than \$50,000 do not qualify.
5. Applicants will contribute a minimum of a \$1,000 toward the transaction. Examples of such contributions include, but are not limited to, required pre-paid items that the buyer pays, such as earnest money deposit, appraisal, home inspection, and homeowner’s insurance.
6. All buyers must have completed at least eight (8) hours of homebuyers’ education through a HUD-approved housing counseling agency.
7. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
8. Mobile homes are not eligible for assistance.
9. All properties being purchased must meet the HUD HQS. An inspection is required to verify that the property meets applicable safety/code requirements. If repairs are required to bring the property to HUD HQS standards and the cost for the repairs exceeds \$1,000, the property will be coded as “purchase assistance with rehabilitation. “If the seller can provide documentation to show that the property had repairs over \$1,000 completed within the past twelve (12) months, the property will be coded as “purchase assistance with rehabilitation.”
10. There may be instances where the cost to develop the project is higher than the sales price. When the developer sells the property to an income eligible buyer and the loan proceeds are remitted to the City, the difference between the sales price and the development costs will be forgiven and recognized as a grant to the homebuyer.

<b>B. PURCHASE ASSISTANCE FOR EXISTING HOME WITHOUT REHABILITATION</b>	Code 2
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a. **Summary:** The City of Clearwater through its housing programs and sub-recipients will use SHIP funds to provide down payment and closing costs assistance to purchase existing homes. Property purchased must become the primary residence of the buyer. To qualify for assistance, applicants must be able to obtain a first mortgage from a licensed lending institution. The first mortgage cannot exceed a term of 30 years with a fixed rate. The City may use SHIP funds as a match for the HOME program.

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027
- c. **Income Categories to be served:** Very low, low and moderate
- d. **Maximum award:** \$77,000 (\$75,000 downpayment and closing cost assistance + plus \$2,000 project delivery costs)
- e. **Terms:**
  1. **Repayment loan/deferred loan/grant:** Funds will be awarded as an amortized and forgivable loan secured by a recorded subordinate mortgage and note.
  2. **Interest Rate:** 0%
  3. **Years in loan term:** 25
  4. **Forgiveness:** 50% of the loan is deferred for the loan term and forgiven at maturity if no event of default exists. For Very Low-income clients, 100% of the loan will be forgiven at the end of the loan term.



5. **Repayment:** Funds will be awarded as an amortized loan and a forgivable loan secured by a recorded subordinate mortgage and note. Fifty percent (50%) of the loan will be forgiven at the end of the loan term. For repayment, the loan will be deferred for the first five years (deferred period) with monthly payments commencing at the end of deferred period. For Very-Low Income clients, there is no repayment if no event of default exists.
6. **Default:** The loan will become due and payable if one of the following occurs:
  - a) Death of the borrower(s). In the event borrower should die, this strategy allows for assumption by eligible heirs.
  - b) Upon sale or transfer of title
  - c) Property is vacated and no longer the primary residence of the borrower.
  - d) Property is converted into a rental unit
  - e) Any refinancing with cash out of debt consolidation
  - f) Loss of homeowners insurance
  - g) Loss of homestead exemption status
  - h) Failure to pay property taxes

In the event of non-payment or other default above, the City will follow its “Economic Development Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy” Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of 3% per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall constitute a waiver of the right as to any continuing failure or breach of any subsequent failure or breach.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel and income groups as described in section I. (l) of this plan.
- g. **Sponsor Selection Criteria:** All program sponsors or sub-recipients will be selected using the City’s Consolidated Annual Action Plan. Eligible sponsors or sub-recipients that provide assistance under this strategy will be required to contractually commit and comply with all SHIP program requirements.
- h. **Additional Information.**

To qualify for assistance:

  1. Borrowers must be able to obtain a first mortgage from a licensed lending institution.
  2. The first mortgage cannot exceed a term of thirty (30) years, the lender fees are limited to 4% of the loan amount.
  3. Maximum DTI ratio should not exceed 50%



4. Borrowers will contribute a minimum of \$1,000 toward the transaction. Examples of such contribution include, but are not limited to, required pre-paid items that the buyer pays, such as earnest deposit, appraisal, home inspection, and homeowner’s insurance.
5. The Borrower must have sufficient cash reserve after closing, of at least 2 times the monthly housing expenses, including PITI and any association fees.
6. Households with liquid assets greater than \$50,000 do not qualify.
7. All Borrowers must have completed at least eight (8) hours of home buyer education through a HUD-approved housing counseling agency.
8. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
9. All properties being purchased must meet the HUD HQS standards. An inspection is required to verify that the property meets applicable safety/code requirements.

<b>C. OWNER-OCCUPIED REHABILITATION</b>	Code 3, 6
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a. **Summary:** The City of Clearwater will award SHIP funds to income eligible households for the rehabilitation of owner-occupied residences whose Just Value, as determined by the Pinellas County Property Appraiser, does not exceed \$481,176. Assistance may be used by the homeowner for housing rehabilitation such as, but not be limited to, the following:

1. Correct housing code deficiencies
2. Adapt the residence to meet accessibility needs of a disabled family member
3. Modifying the living space to accommodate additional household members may be approved by the city if the city determines a hardship exists.

In cases where health, safety and welfare of the household are in jeopardy, they shall receive priority and staff shall evaluate the situation to determine if the work may be done as emergency repairs. Such things that are considered “emergency repairs” are:

1. Structural components that show signs of imminent collapse
2. Inoperable heating systems during the winter months
3. Water leaks in walls or foundation
4. Roof leaks with a likelihood of causing electrical hazards, ceiling collapse or structural damage
5. Inoperable exterior doors and/or windows, preventing emergency egress
6. Falling Ceiling
7. Lead-based paint
8. ADA modifications of an immediate nature

The City of Clearwater will award SHIP funds in a form of a grant to eligible households to remove barriers and improve accessibility. Qualified persons are defined as persons with special needs in accordance with the definitions of “Persons with special needs” set forth in Sections 420.0004(13) and (393.063(9) Florida Statutes, needed home modifications, including technological enhancements and devices, which all the applicants/household members to remain independent in their homes.

Accessibility improvements may include such things as:

1. Widening of doorways
2. Lowering of cabinets



- |   |
|---|
| <ol style="list-style-type: none"><li>3. Installation of grab-bars, roll-in shower/tub, comfort-height toilets and flooring</li><li>4. Visual guiding systems for the hearing impaired</li><li>5. Roll-in shower/tub</li><li>6. Wheelchair ramp</li></ol> |
|---|

b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027

c. **Income Categories to be served:** Very low, low and moderate

d. **Maximum award:** \$80,000  
\$60,000 loan + project delivery costs not to exceed \$5,000. An additional \$15,000 grant may be provided to remove accessibility barriers and improve accessibility for people with special needs. The \$15,000 grant for special needs may be a stand-alone project.

e. **Terms:**

1. **Repayment loan/deferred loan/grant:** SHIP Funds will be awarded as deferred or repayment loans secured by a Note and Mortgage.

**Repayment Loans:**

To qualify for a twenty-year, zero percent interest loan, eligible borrower must meet the following criteria: All eligible borrowers with household income above moderate, will repay the rehabilitation assistance at zero percent interest with the following stipulations:

The payments are deferred for 120 days from the Note date, with monthly payments commencing at the end of the deferred period and amortized over 20 years. Payments are made on 50% of the total loan balance, with the remaining 50% being forgiven at maturity, provided no event of default exists.

**Deferred Loans:**

Borrowers with total household incomes up to 80% Area Median Income (Extremely Low, Very Low, Low) will be awarded a 20-year deferred payment loan up to an amount of \$60,000. The deferred payment loan is satisfied at the end of the loan term, if no event of default occurs.

All Loans will be secured by a Mortgage and Note and recorded in public records.

2. **Interest Rate:** 0%
3. **Years in loan term:** 20 years
4. **Forgiveness:** Deferred loans will be forgiven at the end of the 20-year period.
5. **Repayment:** Moderate income borrowers will be awarded a 20-year payment loan. With repayment loans, the remaining balance of 50% of the original loan will be forgiven at the end of the loan term if no default exists.
6. **Default:** The loan will be determined to be in default in any of the following occurs during the loan term:
  - a) Death of a borrower(s). In the event the homeowner should die, this strategy allows for assumption by eligible heirs.



- b) Upon sale or transfer of title
- c) Property is vacated and no longer the primary residence of the borrower
- d) Property is converted into a rental unit
- e) Any refinancing with cash out or debt consolidation
- f) Loss of homeowners insurance
- g) Loss of homestead exemption status
- h) Failure to pay property taxes
- i) Failure to occupy the home as a primary residence

In the event of non-payment or other default above, the City will follow its “Economic Development Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy” Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of 3% per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall constitute a waiver of the right as to any continuing failure or breach of any subsequent failure or breach.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on a first-qualified first-served basis with priorities for Special Needs, Essential Services Personnel and income groups described in Section 1. (1) of this plan.

In addition, households that have been assisted through the rehabilitation with city funds within the past are ineligible to receive funding again through any of the Housing Division’s Programs, unless prior assistance has been paid in full and a Satisfaction of Mortgage executed and recorded in Public Records, unless there is some form of “hardship” as defined. Example of hardship include, but may not be limited to divorce, permanent layoff, physical or mental disability, fire, flood or natural disaster or the death of a family member. Hardship determination will be determined and approved on a case-by case basis by the Director of the Economic Development & Housing Department.

- g. **Sponsor Selection Criteria:** Not applicable

- h. **Additional Information:**

1. Applicants must be the owner-occupant of the property.
2. The applicant must be current on their current mortgages, property taxes and homeowners’ insurance, flood insurance is required if the property is located in a flood zone.
3. Applicant must have sufficient equity in the property for the rehabilitation loan. Maximum loan to value must not exceed 100% of the Just Value of the home as determined by the Pinellas County Property.



4. The value of the home as determined in Section H.3 above, shall not exceed just value.

<b>D. NEW CONSTRUCTION</b>	Code 10
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- a. **Summary:** The City of Clearwater, through eligible developers (for profit and not-profit) will use SHIP funds for the development of new single-family housing units. The costs may include acquisition, site improvement and building costs to include innovative design and green principles. The City's specifications for new homes are tailored to meet green standards.
- The City may use SHIP funds as a match for the HOME program to loan funds to eligible developers (for profits and non-profits) for the construction of new single-family housing units, and in some cases, acquisition of vacant properties and infrastructure costs for new housing development. Assistance will be repaid when the unit is sold to an eligible homebuyer. A Land Use Restriction Agreement is required for all newly constructed units.
- For the Homebuyer:** The City of Clearwater through its housing programs and through its sub-recipients will use SHIP funds to provide down payment and closing cost assistance to eligible very low-to moderate-income homebuyers for the newly constructed homes. The City may use SHIP funding as a match to eligible buyers. A Land Use Restriction Agreement is required for all newly constructed units.
- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027
- c. **Income Categories to be served:** Very low, low and moderate
- d. **Maximum award:** \$300,000 per single-family home for developers (for profit and not profit). Maximum award to homebuyer is \$77,000 in the form of a \$75,000 Purchase Assistance Loan + project delivery costs not to exceed \$2,000. An additional \$15,000 grant may be provided to incorporate accessibility for people with special needs.
- e. **Terms:**  
**For the Developer:**
- Repayment loan/deferred loan/grant:** deferred payment mortgage and note not to exceed 24 months
  - Interest Rate:** 0%
  - Years in loan term:** 2
  - Forgiveness:** Upon the sale of the home to a qualified household, and no default exists, the city will write down the loan to the developer to provide a developer fee up to 15% of construction costs funded by the loan. In the event that, through no fault of the developer, the sales price of the home results in a return on investment of less than 12% of total development costs, the City reserves the right to allow for a write-down (forgiveness) equal to an amount that will provide for an ROI of 12% of total development costs for the developer. The developer fee shall be considered part of the developer's ROI. When the developer sells the property to an income-eligible homebuyer, the loan to the developer is satisfied. All proceeds from the sale of the property less



the developer fee (and additional funds, if applicable, to ensure a 12% ROI) will be returned to the City in the form of Program Income. The difference between the assistance provided to the developer and program income will be recognized as grant to the homebuyer.

5. **Repayment:** The loan is repaid when the home is sold.
6. **Default:** The loan becomes due and payable, if, at the end of the loan term, the home is not sold, or the home does not have a contract for sale.

**For the Homebuyer:**

1. **Repayment loan/deferred loan/grant:** Funds will be awarded as an amortized loan and forgivable loan secured by a recorded subordinate mortgage and note. 50% of the loan will be forgiven at the end of the loan term. The loan will be deferred for five (5) years with monthly payments commencing at the end of the deferred period. For Very Low-income clients, payments are deferred for the term of the loan.
2. **Interest Rate:** 0%
3. **Years in loan term:** 25 years
4. **Forgiveness:** 50% of the loan is deferred for the loan term and forgiven at maturity if no event of default exists. For Very Low-income clients, 100% of the loan will be forgiven at the end of the loan term.
5. **Repayment:** Payments on the amortized amount will commence after the 5-year deferral period and be amortized over twenty (20) years. For Very Low-income clients there is no repayment unless event of default exists.
6. **Default:** The loan will be determined to be in default in any of the following occurs during the loan term:
  - a) Death of the borrower(s). In the event the homeowner should die, this strategy allows for assumption by eligible heirs.
  - b) Upon sale or transfer of title
  - c) Property is vacated and is no longer the primary residence of the borrower
  - d) Property is converted into a rental unit
  - e) Any refinancing with cash out or debt consolidation
  - f) Loss of homeowners insurance
  - g) Loss of homestead exemption status
  - h) Failure to pay property taxes

In the event of non-payment or other default defined above, the city will follow its “Economic Development & Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy”. *Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of three (3) percent per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall not constitute a waiver of the right as to any continuing failure or breach or any subsequent failure or breach.*



If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on a first-qualified, first served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. (I) of this plan. To qualify for assistance, an eligible buyer must meet the following requirements:
1. The applicant is not required to be a First-Time Homebuyer to qualify for assistance, but they cannot own a property serving as their principal residence at the time of closing.
  2. In addition, households that have been assisted with any City's funds in the past are ineligible to Receive funding again through any of the Housing Division's Programs, unless the prior assistance has been paid in full and a Satisfaction of Mortgage executed and recorded in Public Records, unless there is some form of "hardship" as defined. Examples of hardship include divorce, permanent layoff, physical or mental disability, fire, flood, or natural disaster or the death of a family member. Hardship determination will be determined and approved on a case-by-case basis by the Director of the Department.
- g. **Sponsor Selection Criteria:** All developers will be selected using the City's Consolidated Annual Action Plan Application process. Eligible developers (for-profit or non-profit organizations) that receive assistance under this strategy will be required to contractually commit and comply with all SHIP program requirements.
- h. **Additional Information:**  
To qualify for Purchase Assistance:
1. Applicants must be able to obtain a first mortgage from a licensed lending institution.
  2. The first mortgage cannot exceed a term of thirty (30) years, the lender fees are limited to 4% of the loan amount.
  3. Maximum DTI ratio should not exceed 50%
  4. Applicants will contribute \$1,000 toward the transaction. Examples of such contributions include, but not limited to, required pre-paid items that the buyer pays, such as earnest money deposit, appraisal, home inspection, and homeowner's insurance.
  5. Borrowers must have sufficient cash reserve after closing of at least 2 times the total monthly housing expenses, including PITI and associated fees.
  6. All buyers must have completed at least eight (8) hours of homebuyer education through a HUD-Approved housing counseling agency.
  7. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
  8. Mobile homes are not eligible for assistance.
  9. There may be instances where the cost to develop the project is higher than the sales price. When the developer sells the property to an income eligible buyer and the loan proceeds are remitted to the city, the difference between the sales price and development costs will be forgiven and recognized as a grant to the homebuyer.
  10. The City may use SHIP funds as a match for the HOME program.



<b>E. MULTIFAMILY HOUSING</b>	Code 14, 21
<p>a. <b>Summary:</b> SHIP funds may be provided as loans to developers (for profit and non-profit) to support the acquisition, rehabilitation and /or new construction of multi-family housing, including single family room occupancy, or the housing portion of a mixed used facility and/or mixed-income projects. Funds may be used as a match for the U.S. Department of Housing Development’s HOME program and various other programs offered by the federal government and the State of Florida to construct and preserve multi-family housing.</p>	

b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027

c. **Income Categories to be served:** Very low and Low

d. **Maximum award:** \$300,000 per unit new construction and acquisition, \$100,000 per unit for rehabilitation. No project shall exceed \$600,000 in total SHIP funds.

e. **Terms:**

1. Repayment loan/deferred loan/grant: In accordance with the City’s funding for multi-family acquisition, rehabilitation or new construction developments will vary from project to project.
2. Interest Rate: 0%
3. Years in loan term: A minimum of 20 years with a maximum of 30 years. The loan term will be determined based on a financial analysis of the project and the project’s ability to pay back the loan.
4. Forgiveness: N/A
5. Repayment: Loan is due and payable at the end of the loan term
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term:
  - a) Sale, transfer, or conveyance of property
  - b) Conversion to another use
  - c) Failure to maintain standards for compliance as required by any of the funding sources
  - d) If any of these occur, the outstanding balance will be due and payable.

f. **Recipient/Tenant Selection Criteria:** All applicants for residence in a SHIP-assisted unit must meet income eligibility of the program as determined and reported by the developer’s management company of the development.

g. **Sponsor/Sub-recipient Selection Criteria:** Eligible developers (for profit or non-profit) will be selected using the City’s Consolidated Annual Action Plan Application process. Eligible individuals, developers, or non-profit organizations that provide assistance under this strategy will be required to contractually commit and comply with all SHIP program requirements.

Criteria includes:

1. A non-profit must have received a tax-exempt ruling from the IRS under section 501(c) (3). The non-profit corporation must be organized and established under the laws of the State of Florida.
2. A non-profit or for-profit corporation must have financial accountability standards that permit the Economic Development & Housing Department to verify organizational and financial capacity to carry out the project.



3. A non-profit or for-profit organization must have experience in development appropriate to this Strategy.

h. **Additional Information:**

1. Projects funded by loans for eligible rental housing acquired, constructed, and or rehabilitated or otherwise assisted under this strategy must be reserved for eligible persons for at least the term of the affordability period.
2. Developers (for profit or non-profit) will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for the monitoring of SHIP rental units.
3. Depending on the financial projection of the project, the City may pay the developer up to a 12% developer fee.

<b>F. DISASTER ASSISTANCE</b>	Code 5, 16
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- a. **Summary:** The Disaster Strategy provides assistance to eligible households following a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will be implemented in the event of a disaster using any funds that have not yet encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation. Disaster funds may be used for items such as, but not limited to:
1. Purchase of emergency supplies to weatherproof damaged homes; Interim repairs to avoid further damage, tree debris removal required to make the individual housing habitable.
  2. Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies
  3. Security deposits for recipients that have been displaced from their home due to disaster.
  4. Rental and utility assistance
  5. Mortgage and utility payment
  6. Strategies included in the approved LHAP that benefit applicants directly affected under the Executive Orders
  7. Other eligible activities as proposed and approved by Florida Housing Finance Corporation.

b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027

c. **Income Categories to be served:** Very-low, low and moderate

d. **Maximum award:** \$20,000

e. **Terms:**

1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant with no recapture terms.
2. Interest Rate: N/A
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A



- f. **Recipient/Tenant Selection Criteria:** Applicants will be assisted on a first-qualified, first served basis. Priority shall be given to persons who have special housing needs or individuals or households that qualify as Elderly.
- g. **Sponsor Selection Criteria:** A sponsor may be selected during a disaster declaration in or to provide assistance to households in the community. Sponsors selection will be based on an agency’s experience and capacity to carry out project delivery. A project delivery fee will be determined based on the scope of the project.
- h. **Additional Information:**
  1. Annual funding is not allocated toward this Strategy. In the event of a disaster declaration, unencumbered funds and/or additional funds award through Florida Housing Finance Corporation for disaster will be used to fund this strategy.
  2. If the homeowner is insured, proceeds from the insurance must be used first before SHIP funds, except for the payment of the deductible.

<b>G. DEMOLITION/RELOCATION/CONSTRUCTION</b>	Code 4
<p>a. <b>Summary:</b> Single-family residential owner-occupied units, which are unsafe for habitation as determined by the City’s Building Official, and the cost to repair the unsafe condition exceeds the maximum under the Owner-Occupied Rehabilitation strategy, may be demolished and a new structure will be constructed on the same site.</p>	

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027
- c. **Income Categories to be served:** Extremely Low, Very Low and Low
- d. **Maximum award:** \$200,000 for Demolition/Relocation/Construction. If homeowner cannot qualify for a first mortgage, the City may use SHIP funds as a match for the HOME program funding.
- e. **Terms:**
  1. Repayment loan/deferred loan: funds will be awarded as amortized and forgivable loans secured by a recorded mortgage and promissory note.
  2. Interest Rate: 0%
  3. Years in loan term: 25
  4. Forgiveness: For low-to moderate-income clients, 50% of the loan is deferred for the loan term and forgiven at maturity, if no event of default exists. For Very Low-income clients, 100 % of the loan will be forgiven at the end of the loan term.
  5. Repayment: Funds will be awarded as an amortized loan and a forgivable loan secured by a recorded mortgage and note. The loan will be deferred for the first five years (deferral period) with monthly payments commencing at the end of the deferred period. Following the five-year deferral period, fifty percent (50%) of the loan will be amortized at zero percent (0%) interest over the remaining 20 years of the loan term and the lance balance will be forgiven at the end of the loan term. For Very-Low Income clients, there is no repayment if no event of default exists.
  6. Default: The loan will be determined to be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property, loss of homeowners insurance; loss of



homestead exemption status; failure to pay property taxes or failure to occupy the home as a primary residence.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the mortgage becomes due and payable.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applications for assistance under this program will be reviewed and approved on a first qualified, first-served basis, with priority given to special needs, essential service personnel, and households earning up to 80% AMI.
  1. Must have resided in the dwelling for at least fifteen (15) years prior to the date of application, with exception in the case of fire, severe water damage, sink holes, or structural damage not covered under property insurance or other Federal or State programs.
  2. Must not have received assistance from the City through CDBG, HOME, and/or SHIP funded programs within the past five (5) years. Exceptions would be granted in the event of fire, severe water damage, sink holes, or structural damage not covered under property insurance or other Federal or State programs.
  3. Must be current on existing mortgage payments. Any occurrences of 90-day late payment within the previous 12 months as reported on a credit report will be evaluated on a case-by-case basis and may serve as the basis for denial from the City.
  4. Primary mortgage holder must provide written approval for the demolition/construction activity, if applicable.
  
- g. **Sponsor Selection Criteria:** Not applicable
  
- h. **Additional Information:** At a minimum, the constructed dwelling unit must have a living room, kitchen area and bathroom. Also, it must have bedrooms to accommodate all household members according to housing quality standards. Demolition/Construction of housing will not be made to owners of manufactured or mobile homes. Temporary relocation expenses, including reasonable storage of personal belongings, may be provided at an amount not to exceed \$25,000 per unit, if there are no other housing options such as living with family members.

<b>H. RENTAL ASSISTANCE</b>	Code 13, 23
a. <b>Summary:</b> Funds will be awarded to income eligible rental households to prevent eviction and becoming homeless. Eligible expenses include utility deposits, security deposits and assistance for utility and rent arrears.	

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027



- c. **Income Categories to be served:** Very Low
- d. **Maximum award:** \$10,000
  
- e. **Terms:**
  - 1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant.
  - 2. Interest Rate: N/A
  - 3. Years in loan term: N/A
  - 4. Forgiveness: N/A
  - 5. Repayment: N/A
  - 6. Default: N/A
  
- f. **Recipient Selection Criteria:** Applicants will be referred through the Coordinated Entry System established for the area. Assistance will be provided on a first qualified, first served basis.
  
- g. **Sponsor/Developer Selection Criteria:** N/A
  
- h. **Additional Information:** Applicants can receive up to \$10,000, including deposits and six (6) months of assistance, including rent arrears. The household is required to have a lease and the unit must meet Housing Quality Standards.

### III. LHAP Incentive Strategies

In addition to the **required Incentive Strategy A and Strategy B**, included are adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S..

#### A. Expedited Permitting

Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

The Assistant Director of the Economic Development & Housing Department determines whether a project qualifies as affordable housing and, if eligible, provides the developer with the “Request for Expedited Permit Processing for Affordable Housing Activity” form and applicable checklists.

The Economic Development & Housing Department and Planning & Development Department support customer service for potential affordable housing projects by providing information and responding to developer inquiries by the end of business day (EOB) or within 24 hours. The Planning & Development Department utilizes technology to enhance administrative efficiencies. All permitting is facilitated by a one-stop “ePermit Hub” portal that supports electronic plan submittal, review, and inspections, or through Accela. Information, forms, and checklists are available online and at the counter for all types of projects (not necessarily affordable housing). Target dates and permit status are posted via the ePermit Hub portal and review time has been generally reduced to 14 days.

#### B. Ongoing Review Process

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

The Economic Development and Housing Department typically receives new City Comprehensive Plan and



Community Development & Housing Code provisions and ordinances for comment and participates in the City's review process prior to adoption. The review process is maintained as a regular agenda item during Senior Executive Team bi-monthly meetings.

C. **Other Adopted Incentive Strategies:**

1. **Modification of Fees:** The Economic Development and Housing Department will continue to assist with the payment of Plan Review and Permit Fees and impact fees utilizing state and federal funds designated for affordable housing.
2. **Flexible Densities:** The City supports flexibility in densities for affordable housing through its Comprehensive Plan policies, through its Community Development Code and in accordance with the Live Local Act.
3. **Accessory Dwelling Units:** The City will continue to allow for accessory dwelling units in non-residential Zoning districts as described within the City's Community Development Code.
4. **Parking Reduction:** The Housing Element of the City's Comprehensive Plan supports the reduction of Parking and setback requirements for affordable housing developments.
5. **Flexible Lot Configuration:** The City currently allows flexible set back requirements for affordable Housing developments. The plan must be sensitive to the character and context of the existing Neighborhood.
6. **Proximity to Transportation, Employment & Mixed-Use Development:** The city will maintain and implement policies of the city's Comprehensive Plan that incentivize affordable housing development proximate to transportation hubs, major employment centers, and mixed-use development.
7. **Financing:** The city will diversify financial strategies to contribute to the new construction and maintenance of affordable housing and financial assistance to obtain housing.

IV. EXHIBITS

Required

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.