

CITY OF CLEARWATER, FLORIDA

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2021-2022, 2022-2023, 2023-2024



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I. Program Details:	
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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)	

B. Purpose of the program:

- To meet the housing needs of the very low, low and moderate-income households;
- To expand production of and preserve 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: 2021-2022, 2022-2023, 2023-2024

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 median area purchase price established by the U.S. Treasury Department or as described above.

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.

“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 monies 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 that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.” The 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	CITY OF CLEARWATER	90%
Third Party Entity/Subrecipient	Third Party Entity/Subrecipient Purchase Assistance Strategy and Disaster Assistance Strategy (depending on event scale)	10%

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 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 housing counseling, homebuyer education, and inspections of the housing units.

T. Essential Service Personnel Definition (ESP):

ESP includes Persons whose household income does not exceed 120% of AMI, as updated annually from the Department of Housing and Urban Development (HUD) and distributed by Florida Housing Finance Corporation and adjusted for family size, including: teachers and educators, other school district and university employees, police and fire fighters personnel, health care personnel, construction industry personnel: Federal, State, County, and local government personnel, information technology personnel, food service personnel, service personnel, retail workers, tourism personnel.

U. Describe efforts to incorporate Green Building and Energy Saving products and processes:

The City of Clearwater Rehabilitation Program judiciously adheres to the U.S. Department of Housing and Urban Development's cost-effective energy conservation standards in consideration of the economic feasibility for each project.

1. When new appliances are to be installed, they are to be Energy Star™ rated to reduce the energy consumption of the residence being rehabilitated.
2. The addition of insulation in the attic to a nominal level of R30 to further reduce the energy consumption of cooling and heating units.
3. 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.
4. 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.
5. Replacement windows are to be hurricane impact, insulated and Energy Star™ A.N.S.I.A 134.1, NFRC rated.
6. 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 work with strong partners with track records of providing housing for the special needs population. The Special Needs set-aside will be met through all strategies with particular attention given to the owner-occupied rehabilitation and multi-family 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.
- W. Describe efforts to reduce homelessness:** The City of Clearwater initiated and maintains a comprehensive and holistic approach that established the City Homeless Initiative Program. The Homeless Initiative Program provides homeless individuals and families access to comprehensive services. The City has committed its support for organizations that provide wrap-around services that address the root causes of homelessness. In addition, the City contributes financially to the Homeless Leadership Alliance (HLA) which is an umbrella organization overseeing the continuum of care providers 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:
1. Overnight, emergency, transitional, or permanent housing to homeless individuals and/or families.
 2. Delivery of case management.
 3. Transportation services for veterans to Bay Pines Hospital.

Section II. LHAP Strategies:

A. NEW CONSTRUCTION	10
<p>a. Summary: The City of Clearwater, through eligible developers (for profit and non-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.</p> <p>For the Homebuyer: The City of Clearwater through its housing programs and through its subrecipients will use SHIP funds to provide down payment and closing costs assistance to eligible very low- to moderate-income homebuyers of the newly constructed homes.</p>	
b. Fiscal Years Covered: 2021-2022, 2022-2023, 2023-2024	
c. Income Categories to be served: Very Low, Low, and Moderate	
d. Maximum award: \$200,000 per unit for developers/non-profits; Maximum award to the homebuyer is \$45,000.	
<p>e. Terms:</p> <p>The Developer:</p> <ol style="list-style-type: none"> Repayment loan/deferred loan/grant: deferred payment mortgage and note not to exceed 24 months Interest Rate: 0% Years in loan term: 2 Forgiveness: In the event that through no fault of the developer/non-profit, 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 after forgiving an amount that allows the developer a 12% developer fee on construction costs. 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 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 a grant to the homebuyers. Repayment: The loan is repaid when the home is sold. Default: The loan becomes due and payable, if at the end of the loan term, the home is not sold, or if the home does not have a 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. 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 deferral period and 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 rental unit
 - e) Any refinancing with cash out or debt consolidation

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.*

- 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. (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, 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 Assistant 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 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.
3. Applicants will contribute ~~1%\$1,000.00 of sale price~~ 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.
4. All buyers must have completed at least eight (8) hours of homebuyer education through a HUD-approved housing counseling agency.
5. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
6. Mobile homes are not eligible for assistance.
7. 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 homeowner.

B. ACQUISITION OF EXISTING HOME WITH REHABILITATION

Code 1, 9

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 the 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 trusts become the 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 subrecipients 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: 2021-2022, 2022-2023, 2023-2024
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$200,000 per unit for the developers/nonprofits; \$47,000 for the Homebuyer (\$45,000 downpayment and closing cost assistance + \$2,000 project delivery costs)
- 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 12% fee to the developer. The 12% developer fee is calculated as 12% of the improvements on the property.
6. **Default:** The loan becomes due and payable if at the 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. 50% of the loan will be forgiven at the end of the loan term. For Very Low-Income clients, payments are deferred for the term of the loan. For repayment, the loan will be deferred for five (5) years with monthly payments commencing at the end of the deferred period. The maximum assistance that a borrower can obtain from the City's Purchase Assistance (PA) program is not to exceed **\$45,000** for existing and newly built homes for qualifying homebuyers. If the borrower's Principal, Interest, Taxes and Insurance (PITI) are less than 20 percent, assistance will not be available from the City of Clearwater.
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 and 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 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 to a rental unit; or
- e) Any refinancing with cash out or debt consolidation.

In the event of non-payment or other default as 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.

- 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 Service Personnel, and income groups as described in Section I(l) 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 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. Example 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. Assistance provided under the Disaster Strategy described in this plan will not disqualify a household from receiving funding through any of the Housing Division's Programs.

- g. Sponsor Selection Criteria: All program sponsors will be selected using the City's Consolidated Annual Action Plan 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:

1. To qualify for assistance

- a) Applicants must be able to obtain a first mortgage from a licensed lending institution.
- b) This first mortgage cannot exceed a term of thirty (30) years.
- c) Purchase Assistance applicants will contribute ~~1% \$1,000.00 of sale price~~ 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.
- d) All buyers must have completed at least eight (8) hours of homebuyer education through a HUD-approved housing counseling agency.
- e) Other state, federal, county, private and homeowner contributions may be leveraged with SHIP

funds.

- f) All properties being purchased must meet the HUD HQS standards. 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 “down payment and closing costs 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 also be coded as “down payment and closing costs with rehabilitation”. 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.

2. Other: Mobile homes are not eligible for assistance.

C. PURCHASE ASSISTANCE FOR EXISTING HOMES WITHOUT REHABILITATION

Code 2

- a. Summary: The City of Clearwater through its housing programs and through its subrecipients will use SHIP funds to provide down payment and closing costs assistance to eligible very low-to moderate-income homebuyers of existing homes. Property purchased must be the primary residence of the buyer. To qualify for assistance, applicants must be able to obtain a first mortgage from a licensed lending institution. This first mortgage cannot exceed a term of 30 years with a fixed-rate.

- b. Fiscal Years Covered: 2021-2022, 2022-2023, 2023-2024
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$47,000.00 (\$45,000 downpayment and closing cost assistance + \$2,000 project delivery costs)
- e. Terms:
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. For repayment, 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. The maximum assistance that a borrower can obtain from the City's Purchase Assistance (PA) program is not to exceed **\$45,000** for existing and newly built homes for qualifying homebuyers. If the borrower's Principal, Interest, Taxes and Insurance (PITI) is less than 20 percent, assistance will not be available from the City of Clearwater.
 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 forgivable loan secured by a recorded subordinate mortgage and note. 50% of the loan will be forgiven at the end of the loan term. For

repayment, 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, there is no repayment if no event of default exists.

6. **Default:** The loan becomes due and payable if one of the following occurs:
 - 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.

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 hereof to be 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 percent (3%) 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.*

- 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.
- g. Sponsor Selection Criteria: All program sponsors or sub-recipients will be selected using the City's Consolidated Annual Action Plan Application. Eligible sponsors or sub recipients that provide assistance under this program will be required to contractually commit and comply with all SHIP program requirements.
- h. Additional Information:
 1. To qualify for assistance
 - a) Applicants must be able to obtain a first mortgage from a licensed lending institution.
 - b) This first mortgage cannot exceed a term of thirty (30) years.
 - c) Purchase Assistance applicants will contribute ~~1% \$1,000.00 of sale price~~ 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.
 - d) All Buyers must have completed at least eight (8) hours of homebuyer education through a HUD-approved housing counseling agency.
 - e) Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
 - f) All properties being purchased must meet the HUD HQS standards. 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 “down payment and closing costs 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 also be coded as “down payment and closing costs with rehabilitation”. 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.

2. Other: Mobile homes are not eligible for assistance.

D. OWNER-OCCUPIED REHABILITATION	3
<p>a. Summary: The City of Clearwater will award SHIP funds to income eligible households for the rehabilitation of owner-occupied residences located within the city limits of Clearwater. Funds for assistance may be used by the homeowner for housing rehabilitation such as but not limited to the following:</p> <ol style="list-style-type: none"> 1. Correct housing code deficiencies 2. Adapt the residence to meet accessibility needs of a disabled family member <p>In cases where health, safety and welfare of the household are in jeopardy, they shall receive priority and the Housing Coordinator shall evaluate the situation to determine if the work may be done as emergency repairs. Such things that are considered “emergency repairs” are:</p> <ol style="list-style-type: none"> 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 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 <p>Priority will be given to those whose homes need renovations to allow elderly or those with special needs to remain independent in their homes and prevent them from having to move into an assisted living-type arrangement. Improvements may include things as:</p> <ol style="list-style-type: none"> 1. Widening of doorways 2. Lowering of cabinets 3. Installation of grab-bars 4. Visual guiding systems for the hearing impaired 	

- b. Fiscal Years Covered: 2021-2022, 2022-2023, 2023-2024

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

- d. Maximum award: ~~\$55,000.00~~ \$65,000 (\$60,000 loan + project delivery costs not to exceed \$5,000.00)

e. Terms:

1. **Repayment loan/deferred loan/grant:** SHIP Funds will be awarded as deferred or repayment loan based on income and loan underwriting guidelines, which include debt to income ratios, secured by note and mortgage.
 - A) **Repayment Loan:** To qualify for a twenty-year, zero percent interest loan, eligible borrower must meet the following criteria: All eligible borrowers with household income above 50% AMI, (Low and Moderate) and current housing debt ratio below 35% of their gross monthly income will repay the rehabilitation assistance at zero percent interest with the following stipulations:
 1. 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.
 2. Loans will be secured by a Mortgage and Note and recorded in Pinellas County Public Records.
 - B) **Deferred Loan:**
 1. Borrowers with total household incomes less than 50% Area Median Income (Extremely low and Very Low) will be awarded a 30-year deferred payment loan up to an amount of \$60,000 plus project delivery cost not to exceed \$5,000.00. The deferred payment loan is satisfied at the end of the loan term, if no default occurs.
 2. Borrowers with total household income at or below 120% AMI (Extremely Low to Moderate) and housing debt ratios that exceed 35% of their gross monthly income will be awarded a 30-year deferred payment loan up to an amount of \$60,000 plus, project delivery cost not to exceed \$5,000.00. The deferred payment loan is satisfied at the end of the loan term, if no default occurs.
2. **Interest Rate:** 0%
3. **Years in loan term:**
 - Repayment Loan: 20 years
 - Deferred Loan: 30 years
4. **Forgiveness:**
 - Repayment Loan: 50% of the loan is forgiven at the end of the term, if no event of default exists. Should the homeowner(s) default, the entire amount of the loan balance becomes due and payable.
 - Deferred Loan: Forgiven at maturity date if, no default occurs. Should the client default, the entire amount of the loan becomes due and payable.
5. **Repayment:**
 - Repayment Loan: 20-year 0% interest payment loan.
 - Deferred Loan: zero monthly payments
6. **Default:** The loan will be determined to be in default if 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 rental unit.
- e) Any refinancing with cash out or debt consolidation

In the event of non-payment or other default defined above, the City will follow its Economic Development & Housing Department Affordable Housing 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 hereof to be 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 Mortgage Documents. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of three percent (3%) 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.*

7. **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 as described in Section I. (1) of this plan.

In addition, households that have been assisted through the rehabilitation strategy 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 Pinellas County Public Records, unless there is some form of “hardship” as defined. Examples 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 Department.

- g. Sponsor Selection Criteria: N/A
- 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 and, if the property is located in a flood zone flood insurance is required.
 - 3. Applicant must have sufficient equity in the property for the rehabilitation loan. Maximum Loan to value must not exceed 145% of Comparable Sales Value calculated by the Pinellas County Property Appraiser. An appraisal performed by a licensed appraiser may also be used to determine value.

E. MULTI-FAMILY HOUSING	Code 14, 21
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| a. | Summary: 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, transactional housing, or the housing portion of a mixed-used facility and/or mixed-income projects. Funds may be used as a match for U.S. Department of Housing and |
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Urban 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.

- b. Fiscal Years Covered: 2021-2022, 2022-2023, 2023-2024
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$150,000 per unit new construction; ~~\$50,000~~ \$60,000 per unit for rehabilitation
- e. Terms: In accordance with the City's policy, the terms of the City's funding for multi-family acquisition, rehabilitation or new construction developments will vary from project to project, depending on the economics of the development.
 - 1. Repayment loan/deferred loan/grant: Funds will be awarded as a loan secured by a recorded mortgage and note.
 - 2. Interest Rate: Up to 4 %
 - 3. Years in loan term: A minimum of 30 years
 - 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 qualifications 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 program will be required to contractually commit and comply with all SHIP program requirements.
Criteria includes:
 - 1. The 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. The 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. The non-profit or for-profit corporation must have experience in development appropriate to this strategy.
- h. Additional Information:
 - 1. Projects funded by loans for eligible rental housing constructed, rehabilitated or otherwise assisted

- under this strategy must be reserved for eligible persons for at least the term of the assistance.
2. Developers (for profit or not-for-profit) will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for 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.

F. DISASTER ASSISTANCE

Code 5, 16

- a. Summary: The Disaster Strategy provides assistance to households following a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will only be implemented in the event of a disaster using any funds that have not yet been encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation. SHIP disaster funds may be used for items such as, but not limited to:
 1. Purchase of emergency supplies for eligible households to weatherproof damaged homes; Interim repairs to avoid further damage, tree debris removal required to make the individual housing unit habitable.
 2. Construction of wells or repair of existing wells where public water is not available.
 3. Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies.
 4. Security deposits for eligible recipients that have been displaced from their homes due to disaster.
 5. Rental and utility assistance for eligible applicants
 6. Mortgage and utility payment for eligible applicants
 7. Strategies included in the approved LHAP that benefit applicants directly affected under the Executive Orders
 8. Other eligible activities as proposed to and approved by Florida Housing
- b. Fiscal Years Covered: 2021-2022, 2022-2023, 2023-2024
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$10,000
- 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 and individuals or households that qualify as Elderly as defined in 420.503, F.S., with the following additional requirements.

- g. **Sponsor Selection Criteria:**
A sponsor may be selected during a disaster declaration in or to provide project delivery services for 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 based on the type of disaster and assistance being provided to households.
- 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 the disaster will be used to fund this Strategy.
 - 2. If homeowner is insured, proceeds from the insurance must be used first before SHIP funds, except for the payment of the deductible.

III. LHAP Incentive Strategies

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

A. Name of the Strategy: 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.

Provide a description of the procedures used to implement this strategy:

The City of Clearwater Economic Development & Housing Division continues to provide a form titled, "Request for Expedited Permit Process for Affordable Housing Activity" to fast track affordable housing projects.

B. Name of the Strategy: 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.

Provide a description of the procedures used to implement this strategy:

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

C. The allowance of flexibility in densities for affordable housing

The City of Clearwater supports flexibility in densities for affordable housing through its Comprehensive Plan policies and through its Community Development Code.

Provide a description of the procedures used to implement this strategy:

Comprehensive Plan policies in support of flexible densities are adopted in the Future Land Use Element (FLUE) and Housing Element as follows:

Policy A.2.2.12 – The City will provide density bonuses for affordable housing developments that demonstrate that a minimum of 15% of the total units are reserved as affordable housing units. Such bonuses shall not exceed 50% of the density permitted by the Future Land Use Map and shall not include properties located in the Coastal Storm Area. The density bonus shall be established by ordinance in the Community Development Code. (FLUE)

Policy C.1.9.1 – The City will provide density bonuses for affordable housing developments that demonstrate that a minimum of 15% of the total units are reserved as affordable housing units. Such bonuses shall not exceed 50% of the density permitted by the Future Land Use Map and shall not include properties located in the Coastal Storm

Area. The density bonus shall be established by ordinance in the Community Development Code. (Housing Element)

- D. **The reduction of parking and setback requirements** for affordable housing
The Housing Element of the City's Comprehensive Plan supports the reduction of parking and setback requirements for affordable housing.

Provide a **description of the procedures** used to implement this strategy:

The following policies in the Housing Element support the reduction of parking and setback requirements for affordable housing:

Policy C.1.9.2 – Allow flexibility with regard to setbacks and off-street parking to accommodate density bonuses associated with affordable housing developments provided the project design does not detract from the established or emerging character of the immediate vicinity.

Policy C.1.9.3 – Allow flexibility with regard to off-street parking for projects containing affordable housing units located within 1000 feet of a transit stop.

- E. The allowance of **flexible lot configuration, including zero-lot-line** configuration for affordable housing:
The City currently allows flexible site plan configurations, including zero-lot line configurations for affordable housing. The plan must be sensitive to the character and context of existing neighborhoods. To this end, the City's incentives for affordable housing include compatibility criteria in conjunction with the density bonus as follows.

Provide a description of the procedures used to implement this strategy:

The City currently allows for site plan flexibility through the development review process, as supported by the City's Community Development Code. The City's incentives for affordable housing include compatibility criteria in conjunction with the density bonus as follows:

Article 3, Division 9, Section 3-920.A.3.c.i. Compatibility Criteria –

b. Proportionality and scale of the proposed development shall be consistent with the community character of the immediate vicinity of the parcel proposed for development.

c. The overall aesthetics of the proposed development shall be compatible with or an improvement to the community character as determined by the community development coordinator.

d. The scale and coverage of the proposed development shall be compatible with adjacent properties. If the overall bulk is larger than the surrounding buildings, the bulk may be reduced with the help of design elements such as step backs and setback.

- F. The preparation of a printed **inventory of locally-owned public lands** suitable for affordable housing:

The Affordable Housing Inventory List is maintained by Comprehensive Plan Policy:

Policy C.1.2.6 - The City shall identify vacant and underutilized city-owned property that may be deemed surplus property and make it available for the development of affordable housing. (Housing Element)

Provide a description of the procedures used to implement this strategy:

The Affordable Housing Inventory List is State-mandated by Section 166.0451, F.S. and was triennially updated. Updates occurred in 2009 by City Resolution #09-41 (November 5, 2009), in 2013 by City Resolution #13-10 (June 6, 2013), in 2016 by City Resolution #16-14 (June 16, 2016), and in 2019 by City Resolution #19-10 (June 20, 2019). As of 2019, there were 19 parcels suitable for the development of affordable housing.

Additionally, the City's Economic Development & Housing Department has a procedure in place to make publicly-owned land available to prospective developers and non-profit agencies to construct affordable housing. Since 2017, the Planning and Development Department has implemented a foreclosure program targeting properties with substantial code violations. As a result, several properties have been donated for affordable housing development.

- G. **The Support of development near transportation hubs, and major employment centers and mixed-used development**

The City promotes areas suitable for affordable housing through the Future Land Use Element (FLUE) of the Comprehensive Plan. The FLUE contains a number of policies related to activity centers and transit hubs as part of the City's overall design structure.

Provide a description of the procedures used to implement this strategy:

The Housing Element of the Comprehensive Plan also supports the location of assisted housing near major activity centers through the following policies :

Policy C.1.4.2 – Assisted housing should be located in close proximity to employment centers, mass transit services, parks, and commercial centers. Additionally, both the City's Comprehensive Plan and Community Development Code allow flexibility in parking for affordable housing projects if located near a transit stop (Housing Element).

Policy C.1.9.3 as well as Community Development Code Article 3, Division 9, Section 3-920.B. for the City's "affordable housing parking incentive".

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.

Optional

- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement.
- H. Other Documents Incorporated by Reference.