

HOUSING FINANCE AUTHORITY, PINELLAS COUNTY, FLORIDA

City of Clearwater, Florida
Local Housing Assistance Plan

1.	Name of Participating Jurisdiction: City of Clearwater
2.	Contact Person: Terry Malcolm-Smith Title: Housing Coordinator Address: P.O. Box 4748, Clearwater, Florida 33756 Telephone: 727-562-4036 E-mail: terry.malcolm-smith@myclearwater.com
3.	Program Years Covered by Plan: FY 2016-2017, 2017-2018 and 2018-2019
4.	<p>Narrative describing advertising plan (Rules, Section 3(6)(a)):</p> <p>In accordance with the referenced Rule, upon approval of this Plan by the Housing Finance Authority, the City of Clearwater will advertise the availability of the Plan for public viewing in a newspaper of general circulation and periodicals servicing ethnic and diverse neighborhoods at least 30 days before the beginning of the application period. This advertisement will also contain a Notice of Funding Availability and information about the application process for these funds. In addition, the advertisement will include the amount of program income projected to be received for the plan year, the beginning and end date of the application period and the name of the contact person and other pertinent information. Applications for the development of housing units will be considered on an on-going basis. Advertising will also be displayed on the city's Housing Department website and through press releases.</p>
5.	<p>Narrative describing involvement of other public and private sector entities and partners:</p> <p>The city has established local housing partnerships and resources to increase the affordability of housing through down payment and closing costs assistance, low interest rate mortgage loans, grants and other direct subsidies that make market rate housing affordable to lower income households. Special interest rates, product pricing structures, special programs and other incentives are offered by lenders and real estate professionals to enhance affordability.</p> <p>All city housing programs encourage building active partnerships between government, lenders, builders and developers. Involvement is continually solicited through public hearings and forums, special housing committees and work groups, and consultations with public, quasi-public, and non-profit agencies. The city has ongoing funding relationships with area non-profits and housing developers through the administration of its other grant funds.</p>
6.	Narrative describing qualified system and selection criteria for applications for awards to eligible sponsors:

	<p>Eligible sponsors, by means of the City of Clearwater Consolidated Action Plan process, are considered by application and evaluated and rated by either staff or a review committee, depending upon the proposed activity. Areas that are evaluated include: economic feasibility of a project; timeliness of completion; past experience; commitment to expanding affordable housing opportunities to very-low, low- and moderate-income households; preservation of the housing stock to increase property values; and enhancement of a community's image in targeted areas for housing developers.</p> <p>Eligible sponsors must prepare an application which contains, but is not limited to, organizational capacity; project proposal; pro-forma; project budget; financial analysis; site information; zoning information; proof of clear title; and proof of environmental assessment.</p> <p>The designated participant must plan to complete the project within eighteen (18) months. Larger, longer-term projects may be proposed outside of the housing pool as funding is available. Incentives to designated participants will be granted to those organizations to facilitate local housing assistance strategies.</p>
7.	<p>Narrative describing criteria for selection of eligible persons:</p> <p>Applications, for both owner-occupied rehabilitation and purchase assistance programs, will be funded on a first-come, first-qualified, first-served basis by administering agencies. Applicants must be income eligible; the property must meet the city's established requirements; and the property must be the occupied as primary residence.</p> <p>Tenants applying for rental housing units will be qualified on a first-come, first-qualified, first-served basis by housing sponsors. Tenants must be income-eligible and must occupy the rental-unit as their primary residence.</p> <p>What constitutes income eligibility will be defined in each specific program. No homeowner or tenant will be assisted whose gross income exceeds 120% of AMI as defined in Ordinance 06-28. Income eligibility will be determined by the same HUD- established methodology currently utilized in other City of Clearwater housing programs. The current methodology is annual income as defined in 24 CFR Part 5.</p>
8.	<p>Narrative describing the participating jurisdiction's maximum award schedule or system of amounts and how it is consistent with the intent and budget of this local housing assistance plan:</p> <p>The maximum award schedule under this plan will be based upon the amount of subsidy required by a project to produce units that can be sold or rented for no more than the maximum purchase price or the maximum rent allowed under the City's program. This methodology is consistent with the intent and budget of this Local Housing Assistance plan in that it relates maximum awards to the local price of housing and local rents. Further, it ensures that housing produced under this plan will be consistent with "community housing" as defined in the Ordinance.</p>
9.	<p>Narrative describing the expenditure process (attach timeline for each fiscal year covered by this plan as Exhibit A):</p> <p>Exhibit A shows the anticipated expenditure pattern. If it is determined, during periodic reviews, that the expenditures under a particular strategy are not being made as</p>

	<p>anticipated, the city may proceed with another strategy shown on Exhibits A and B without need for amendment of this plan.</p>
10.	<p>Narrative regarding provision for the application of program income and recaptured funds, evidencing compliance with the provision of Ordinance 06-28, Section 3(5):</p> <p>The City will continue its established Local Housing Assistance Fund with a qualified depository for all monies the City will receive from its share of program funds; recaptured program funds; program income; and other monies received or budgeted by the city for the Local Housing Assistance Plan. These funds will be placed in a separate account.</p> <p>The exception to the above paragraph is any program income resulting from proceeds used to match the Federal HOME program. Such program income shall be deposited to the HOME program fund, as required by Federal law. All funds distributed out of the Local Housing Assistance Fund must be leveraged on a 2:1 basis. The eighty percent (80%) non-forgiven loan requirement and twenty percent (20%) for special needs/extremely low-income requirement do not apply to program income.</p>
11.	<p>Narrative regarding ownership housing affordability period provisions:</p> <p>Loans or grants for houses constructed, rehabilitated or otherwise assisted through this Plan shall be subject to equity sharing and recapture requirements deemed appropriate at the time the loan is made. Minimum requirements, however, as required by the Rules are: Ninety percent (90%) recapture within two years from the date of purchase and Fifty (50%) recapture after two years or more from the date of purchase. The intent of the programs administered under this Plan is to allow property owners to realize a portion of the equity if a property is occupied or used for its intended purpose for a specific period of time, but also to prevent property owners from realizing inordinate gains.</p> <p>The city also intends to perpetuate affordability of housing units when appropriate. These goals could be realized through resale restrictions or through other types of agreements that fulfill these intents, but in no event shall the requirements be less than those mandated by the Rules of the Housing Trust Fund.</p>
12.	<p>Narrative regarding process followed to assess and prioritize housing needs:</p> <p>The City of Clearwater has identified priorities for assisting households. The first priority is to provide safe, decent, adequate and affordable housing in safe and desirable environments for homeowners, homebuyers and renters. The second priority is to provide housing and supportive services housing programs. Studies are undertaken for the Housing Element of the City's Comprehensive Plan and for the Federal Consolidated Planning process. In addition to formal studies, stakeholder input is sought through public meetings and forums.</p>
13.	<p>Strategy 1 – Produce new rental and owner housing - Brief narrative regarding activities to be carried out under this strategy, including (a) the proposed sales price of owner housing produced; (b) what resources through partnership will be combined to reduce the cost of housing; (c) any support services provided by the participating jurisdiction to the residents of the housing; (d) what initiatives will be used to conduct outreach and to attract applicants for assistance; and (e) a description of how this strategy furthers the housing element,</p>

	<p>goals, policies, and objectives of the participating jurisdiction's comprehensive plan:</p> <p>Through the utilization of various funding sources and in conjunction with partnerships, a high priority is placed on collaborative efforts and effective use of resources to ensure that housing costs are minimized and impediments are removed. The City of Clearwater engages the community in seeking and promoting housing units which, based on surveys or citizen input, addresses the need of affordability, accessibility and meets the standard of suitable living environments. Partnerships are established that provide homebuyer education classes, which is a step that potential homebuyers can take to become informed on ways to increase their credit score and become a more desirable candidate for the finance industry to provide a home loan with a low interest rate.</p> <ul style="list-style-type: none"> (a) The proposed sales price of owner-housing produced may not exceed the purchase limits for the city. The city's funding limits will be set forth on the Exhibit B, but may adjust such funding limits on a not to exceed State Housing Initiative Partnership (SHIP) program purchase price limits without amendments to this Plan. (b) The City will continue to develop partnerships with non-profits and developers for construction of new units. The cost of construction can be reduced by utilizing incentives provided for Affordable Housing Developments. Loans to affordable housing builders, and eventual homeowner, will provide a below market supplement to private market financing to further reduce costs. (c) Support services may be provided by the participating jurisdiction to the residents of housing. Necessity for support services, however, will be determined on a project-by-project basis. If a proposed project is intended to serve a population that traditionally needs specific support services to sustain housing, the proposal must clearly demonstrate how those support services will be delivered and maintained by the developer of the housing project. (d) The city will continue to develop relationships with non-profits and other agencies that assist applicants in finding suitable rental-housing which offer services that prepare applicants for homeownership. The city advertises its housing program through print media and its website. Developers of housing are required to submit an Affirmative Marketing Plan as part of the application process. Homeowner and rental applicants will be qualified on a first-come, first-served basis by the developer and/or administering agencies. Applicants must meet the income guidelines applicable to the strategy and must occupy the purchased or rented property as a primary residence. (e) This strategy furthers the Housing Element of the comprehensive plan that acknowledges deficits in both rental and owner-occupied housing for extremely low-to moderate-income households through the year 2020, addressing the factors which prevent homeownership due to excessive cost burdens and barriers that are prevalent in the pursuit of purchasing decent and affordable housing.
14.	<p>Strategy 2 – Preserve existing rental and owner housing - Brief narrative regarding activities to be carried out under this strategy, including (a) the proposed sales price of any rehabilitated properties to be sold; (b) proposed caps on the value of any owner occupied housing to be rehabilitated; (c) what resources through partnership will be combined to</p>

reduce the cost of housing; (d) any support services provided by the participating jurisdiction to the residents of the housing; (e) what initiatives will be used to conduct outreach and to attract applicants for assistance; and (f) a description of how this strategy furthers the housing element, goals, policies, and objectives of the participating jurisdiction's comprehensive plan:

Both rental and owner housing may be preserved through acquisition of existing units and rehabilitation of units. Although this strategy appears primarily as a rental strategy on the attached Exhibit B, this strategy may be carried out for both owner and rental housing at any time during the three-year period covered by this Plan without amendment to this Plan. The estimated number of households proposed to be served, by income, as shown on Exhibit B, may be adjusted at any time without amendment to this Plan. Additional preservation activities may be added as need and market conditions change without amendment to this Plan.

- (a) The proposed sales price of any rehabilitated property to be sold under this strategy may not exceed the purchase price limits under the City's program in effect at the time the home is sold. The current SHIP purchase price limit is \$168,000. The City anticipates that funding limits will be set forth on Exhibit B, but may adjust such funding limits, not to exceed SHIP purchase price limits, without amendment to this Plan.
- (b) The value of the owner-occupied housing to be rehabilitated may not exceed the purchase price limit under the City's program in effect at the time the home is sold. Value will be determined using the same methodology utilized in other city Housing programs at the time of rehabilitation. Currently, the city utilizes the "Sales Comparable Value" as documented by the Pinellas County Property Appraiser's Office.
- (c) The city will continue to develop partnerships with non-profits and developers for acquisition and rehabilitation of units, as is done in all other housing programs the city currently carries out. The cost of substantial rehabilitation may be reduced through the use of loans which provide a below market supplement to private market financing.
- (d) Support services are available from various sources which include, but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling and Transportation.
- (e) The city will continue to develop relationships with non-profits and other agencies that assist applicants in finding suitable rental housing and which offer services that prepare applicants for homeownership. The city also widely advertises its housing programs through print media and its website. Developers of housing undertaking substantial rehabilitation or conversion of non-residential properties to rental housing are required to submit an Affirmative Marketing Plan as part of the application process. Homeowner and rental applicants will be qualified on a first-come, first-served basis by the developer and/or the administering agencies. Applicants must meet the income guidelines applicable to the strategy and must occupy the purchased or rented property as a primary residence.
- (f) This strategy furthers the Housing Element of the Comprehensive Plan. In addition,

	<p>preservation may include acquisition of existing units by non-profits or a Community Land Trust to preserve these units as affordable housing by taking them out of the market rate housing pool. These units assist the deficit of affordable housing units described in Strategy 1. The preservation of existing housing stock is the first objective under the current Consolidated Action Plan and furthers the goals, policies and objectives by ensuring there are provisions available for preservation through the use of state and federal funds for rehabilitation, code compliance and adherence to building standards, and elimination of blight.</p> <p>The city also focuses on the removal of architectural barriers, thus allowing for homeowners to maintain their units while making necessary modifications. Internal guidelines and procedures are established to ensure that costs related to preservation are limited to a standard of reasonableness.</p>
15.	<p>Strategy 3 – Promote Housing Opportunities - Brief narrative regarding activities to be carried out under this strategy, including (a) proposed caps on the value of homes to be purchased under this strategy; (b) what resources through partnership will be combined to reduce the cost of housing; (c) any support services provided by the participating jurisdiction to the residents of the housing; (d) what initiatives will be used to conduct outreach and to attract applicants for assistance; and (e) a description of how this strategy furthers the housing element, goals, policies, and objectives of the participating jurisdiction’s comprehensive plan:</p> <p>Through this strategy, down payment and closing cost assistance will be provided to income-qualified households. This strategy may be carried out at any time during the three-year period covered by this Plan. While this strategy is primarily intended to assist with the promotion of homeownership opportunities, it may be utilized to assist with the promotion of rental opportunities through rental assistance activities without amendment to the Plan. The estimated number of households proposed to be served by income as shown on Exhibit B, may be adjusted at any time without amendment to this Plan. Additional activities to promote housing opportunities may be added as needs and market conditions change without amendment to this Plan.</p> <p>(a) The purchase price of homes purchased under this strategy may not exceed the city’s maximum purchase price for new or existing homes. The current maximum purchase price is \$228,000 for newly constructed homes and \$168,000 for existing homes. The city’s funding limits will be set forth in Exhibit A or B, but may adjust such funding limits from time to time, not to exceed the SHIP purchase price limits, without amendment of this Plan. The monthly rent for tenants assisted under this strategy may not exceed the 120% rent limits under the SHIP program in effect at the time the unit is rented.</p> <p>(b) The City will continue to develop partnerships with non-profits who prepare applicants for homeownership and with lenders that make primary loans. Homebuyer education may reduce the cost of housing by helping the homebuyers to obtain better pricing for services required for their real estate transaction. Partnership with lenders may reduce the price of housing by allowing homebuyers to obtain a more favorable interest rate on primary loans.</p> <p>(c) Support services will not be provided by the city to the residents of housing. Necessity for support services, however, will be determined on a case-by-case</p>

	<p>basis by agencies administering the assistance programs. If needed, support services for credit counseling, pre-purchase, post-purchase and foreclosure prevention counseling will be provided through these agencies.</p> <p>(d) The city will continue to develop relationships with non-profits and other agencies that offer services that prepare applicants for homeownership or which assist applicants in need of rental housing. The city advertises its housing programs through the print media and website. Developers of housing are required to submit an Affirmative Marketing Plan as part of the application process. Applicants will be qualified on a first-come, first-served basis by eligible sponsors and administering agencies. Applicants must meet the income guidelines applicable to the strategy and must occupy the property as primary residence.</p> <p>(e) This strategy furthers the Housing Element of the comprehensive plan that acknowledges deficits in housing for the extremely low- to moderate-income households through the year 2020. The subsidy provided to a household through this strategy can close the affordability gap and ease the deficit.</p>
16.	<p>Strategy 4 – Provide Housing Services - Brief narrative regarding activities to be carried out under this strategy, including: (a) what resources through partnership will be combined to reduce the cost of housing; (b) any support services provided by the participating jurisdiction to the residents of the housing; (c) what initiatives will be used to conduct outreach and to attract applicants for assistance; and (d) a description of how this strategy furthers the housing element, goals, policies, and objectives of the participating jurisdiction's comprehensive plan:</p> <p>Through this strategy, available support services may include, but are not be limited to, fair housing services, housing placement services, pre- and post-purchase homeownership counseling, credit counseling, and foreclosure prevention counseling. The estimated number of households proposed to be served by income as shown on Exhibit B may be adjusted at any time without amendment to this Plan. Additional housing services activities may be added as needs and market conditions change without amendments to this Plan.</p> <p>(a) The city will continue to develop partnerships with non-profits that prepare applicants for homeownership and with lenders that make primary loans, as is currently taking place in other promotion of housing opportunity programs done through the city.</p> <p>(b) The support services available under this strategy will be provided through non-profits and other qualified agencies.</p> <p>(c) The city will continue to develop relationships with non-profits and other agencies that offer the services to be carried out under this strategy. The city widely advertises its housing programs through print media and website information.</p> <p>(d) This strategy furthers the Housing Element of the comprehensive plan by which the city's Comprehensive Plan assists homeowners and renters find and sustain decent and safe housing.</p>
17.	<p>Narrative explaining how the activities carried out under these Strategies will meet the requirements of Ordinance 06-28, Section 3(4)(a) – Leveraging 2:1:</p>

	<p>The city will meet this requirement on a program year allocation basis and not on an individual project basis. The city will track its portion of the Housing Trust Funds used in each project for leveraging. Leveraging may come from, but is not limited to: loans made to projects by other lenders; grants made to projects; donated land; developer and sponsor owner-equity and donated materials; supplies, labor and services.</p>
18.	<p>Narrative explaining how the activities carried out under these Strategies will meet the requirements of Ordinance 06-28, Section 3(4)(b) – 80% non-forgiven loans:</p> <p>The city will meet this requirement by using both amortized loans and deferred payment loans. No loan will be forgiven. The type of loan made will be determined on a project by project basis, as the debt service capability of each project is underwritten. This requirement does not apply to the expenditure of program income.</p>
19.	<p>Narrative explaining how the activities carried out under these Strategies will meet the requirements of Ordinance 06-28, Section 3(4)(c) – 15% special needs or <30% MFI:</p> <p>The city will meet this requirement by producing or preserving units specifically for this targeted population or by working with other Participating Jurisdictions on a collaborative basis. Additional activities to utilize the fifteen percent (15%) set-aside may be carried out by one of the four strategies as needs and market conditions change without amendment to this Plan. This requirement does not apply to the expenditure of program income.</p>
20.	<p>Narrative explaining how rental developments assisted under this plan will be monitored annually and how tenant eligibility shall be determined throughout the compliance period:</p> <p>For rental housing assisted under this Plan, the city, or its agent, shall annually monitor and determine tenant eligibility and subsidy amounts using the HUD established methodology utilized in other city housing programs. The current methodology is annual income as defined in 24 CFR Part 5. However, to the extent another governmental entity provides the same monitoring and determination, the city may rely on such monitoring and determination of tenant eligibility. Tenant eligibility will be monitored, at minimum, once a year for fifteen (15) years, or the term of the assistance, whichever period is longer.</p> <p>Loans for rental housing development made under this Plan shall be secured by a mortgage recorded against real property and a promissory note. The continued use of the real property for affordable rental shall be ensured by recording a Land Use Restriction Agreement (LURA) attached to the land. Developers and sponsors that offer rental housing for sale, prior to the expiration of a LURA, must ensure continued occupancy by eligible person(s) for the remainder of the affordability period required under the LURA.</p>

Checklist of required documents (will satisfy the table of contents or checklist requirement):

- ☐ This Local Housing Assistance Plan
- ☐ Exhibit A - Timeline for each fiscal year covered by this plan
- ☐ Exhibit B - Local Housing Assistance Plan Summary Chart for each fiscal year covered by this plan
- ☐ Exhibit C - Copy of policy of participating jurisdiction regarding sub-prime loans [Ordinance Section 3(1)(b)]

- ☐ Exhibit D - Copy of policy of participating jurisdiction regarding subordination of loans [Ordinance Section 3(1)(c)]
- ☐ Exhibit E - Copy of sample Land Use Restriction agreement [Ordinance Section 3(4)(f)]
- ☐ Exhibit F - Certifications and Required Statements with original signature
- ☐ Exhibit G - Adopting Resolution