

**CITY OF HOLLYWOOD, FLORIDA**

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

**2016-2017, 2017-2018 and 2018-2019**

**2016-2017 Amendment**

## Table of Contents

Description	Page #
<b>Section I, Program Details</b>	<b>3</b>
<b>Section II, Housing Strategies</b>	<b>9</b>
<b>A. Owner-Occupied Rehabilitation</b>	<b>9</b>
<b>B. Demolition/Reconstruction</b>	<b>10</b>
<b>C. Disaster Repair/Mitigation</b>	<b>12</b>
<b>D. Tenant-Based Rental Assistance</b>	<b>13</b>
<b>E. Acquisition/Rehabilitation</b>	<b>14</b>
<b>F. New Construction/Purchase Assistance without Rehab</b>	<b>16</b>
<b>Section III, Incentive Strategies</b>	<b>16</b>
<b>A. Expedited Permitting</b>	<b>19</b>
<b>B. Ongoing Review Process</b>	<b>19</b>
<b>C. The Reduction of Parking and Set-Back Requirements for Affordable Housing</b>	<b>20</b>
<b>Exhibits</b>	
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	
F. Ordinance: (If changed from the original creating ordinance)	
G. Interlocal Agreement	

**I. Program Details:**

**A. Name of the participating local government:**

*City of Hollywood, Fl.*

---

Is there an Interlocal Agreement: Yes \_\_\_\_\_ No  X

**B. Purpose of the program:**

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

**C. Fiscal years covered by the Plan:** 2016-2017, 2017-2018 and 2018-2019

**D. Governance:**

The SHIP Program is established in accordance with Sections 420.907-420.9079, 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, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

**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 the local newspaper in the advertising of the Local Housing Assistance Plan Public Hearing 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. Applications will be maintained in an order that is consistent with the time applications were submitted as well as any established funding priorities as described in this plan. Priorities for funding described/listed herein apply to all strategies unless otherwise stated in the strategy:

The City may accept applications throughout the year. Applications will be placed in order of receipt and separated based on the strategy applied for. When funds are available for a particular strategy, the applicants will be contacted to complete/update the application for SHIP assistance. Applicants will be placed in the queue for assistance once they have provided all required documentation and have been deemed eligible under SHIP.

Once there is a list of eligible applicants, they will be ranked giving first priority to households qualifying as Special Needs households. These applicants will be further ranked with priority given to very-low income, then low, then moderate. After serving enough Special Needs households to meet set-asides for the funding year, all applicants deemed eligible will be considered equally with priority given to very-low, then low-, then moderate-income groups.

Ranking Priority

1. Special Needs Households
  - a.) Very Low
  - b.) Low
  - c.) Moderate
  
2. After Special Needs Set-asides are met:
  - a) Very Low
  - b) Low
  - c) Moderate

**J. Discrimination:**

In accordance with the provisions of SS.760.20-760.37 F.S., 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: The City will provide Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling and Foreclosure Counseling through qualified HUD approved agencies.

**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 twelve 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 can be lower, but shall 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  
 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 thirty (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 ~~the same~~ monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$~~103~~,000.00 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 fifteen (15) years or the term of assistance, whichever is longer unless as specified above.

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

**P. Administrative Budget:**

A line-item budget of proposed Administrative Expenditures is attached as Exhibit A. City of Hollywood, FL finds that the moneys deposited into the local housing assistance trust fund shall be used 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 wholly performed and maintained by the City of Hollywood, FL.

**R. Project Delivery Costs:**

Project Delivery Costs shall be limited to 10% of the total project costs. Project Delivery Cost shall include the cost associated with outsource of services to a third Party as follows:

- Service Delivery Fee
- Termite Inspection
- Surveys
- Lead-Based Paint Inspection
- Initial Inspection
- Work Write Ups
- Cost Estimates
- Construction Inspection and Oversight
- Housing Counseling
- Housing inspection

**S. Essential Service Personnel Definition:** “Essential Services Personnel” means any SHIP-eligible person in need of affordable housing who is a permanent employee (excluding temporary and on-call employees) of a company or organization located within the City of Hollywood, which falls into one of the following sectors or codes, as defined within the North American Industry Classification System (NAICS), published by the U.S. Department of Labor, and as may be amended from time to time.

1. **Transit and Ground Passenger Transportation** - This designation includes persons who are employed in the industries of passenger transportation activities.,

2. **Educational Services** - This designation includes persons who are employed by establishments that provide instruction and training. These establishments may be non-profit, for-profit, public or privately owned:

3. **Health Care and Social Assistance** - This designation includes persons who are employed by establishments that provide health care and social assistance.

4. **Accommodation and Food Services** - This designation includes persons who are employed by establishments that provide lodging, preparing meals, snacks, and beverages.

5. **Justice, Public Order, and Safety Activities** - This designation includes persons who are employed in government establishments engaged in the administration of justice, public order, safety and private security businesses.

6. **Other Services** - This designation sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system, including without limitation:

- o Municipal Government
- o County Government
- o Federal Government
- o State Government
- o Utility Providers

T. **Describe efforts to incorporate Green Building and Energy Saving products and processes: The following green features shall be incorporated into every project assisted with SHIP funds, to the greatest extent feasible.**

**General:**

- o Permeable pavers for walkways and rear automobile court, where appropriate
- o Energy Star Appliances (dishwasher, refrigerator)
- o Green Label-certified carpet/Green Label Plus-certified pads in bedrooms only; ceramic in baths; finished concrete in living areas and kitchen
- o Low VOC (volatile organic compounds) paint for the interior spaces; low VOC caulk at interior
- o Exterior walls (R-19); Roof insulation R-30 (may include radiant barrier)
- o Interior walls framed with metal studs
- o Cement board (in lieu of MR Board) at showers and bath to extend at least twelve (12) inches beyond wet walls
- o Interior Doors solid wood FSC-certified (Forest Stewardship Council)
- o Exterior doors steel or fiberglass, as appropriate
- o Energy efficient windows (hurricane impact resistant) low-E and low-U factor ratings
- o Roof color must have SRI at 78 or above
- o Native drought tolerant plants in landscaping (to be Florida Yard and Neighborhood certified); turf grass to be no more than 25% of all yard area

- o Efficient irrigation system on a timer, and incorporating rain sensor, for drought restrictions
- o Cabinetry made with FSC-certified wood (Forest Stewardship Council), built without urea formaldehyde; tops to be laminate over plywood.
- o Cabinet layout to provide designated “recycling area”
- o Laundry area (hook-ups only)
- o Rear yard to include high quality permanent clothesline
- o Sloped stucco sills (30 degrees) at all windows
- o Window installation to include triple caulk (behind bucks, full coverage, at window install full bead, after stucco, full bead)
- o Bathrooms to include operable windows

**Mechanical:**

- o High Efficiency HVAC System (not to be oversized); HVAC filters MERV minimum rating of 13
- o Programmable thermostat
- o Air ducts to be joined with mastic or mechanically, in lieu of tape
- o Energy Star paddle fans in bedrooms and living area
- o Carbon monoxide/smoke detector system

**Electrical:**

- o Solar Electric Power for water heating or Tank-less Water Heater when feasible
- o LED lighting and/or compact fluorescent light (CFL) bulbs where appropriate
- o FPL Buildsmart Certification preferred
- o Finished home to obtain independent HERS rating certification of 85 or lower (contractor incentive available for each point below 85)
- o Bathroom to have double bulb conventional fixture, not vanity strip
- o Window to allow natural light to provide adequate work lighting

**Plumbing:**

- o Low Flow shower heads
- o Shower and Sink Faucet Aerators to provide the same flow regardless of pressure to reduce water use and the energy required to heat it.
- o Low flow toilets (1.6 GPF)
- o Recessed shower pan at 2nd bathroom (ADA handicapped accessible)
- o Gas stove preferred to electric;

U. Describe efforts to meet the 20% Special Needs set-aside:

Priority will be given to households qualifying as special needs households as defined in s. 420.0004. The special needs set-asides will apply to strategies A, B, D, and E.

V. Describe efforts to reduce homelessness:

The City of Hollywood is a direct entitlement community for HUD’s Community Development Block Grant (CDBG) Program. The City uses CDBG to fund The Second



Chance Society, Inc. (SCS) “Hand Up Program” which was specifically designed to help homeless and struggling persons return to a state of self-sufficiency and independence thereby preventing the reoccurrence of homelessness. The City of Hollywood uses CDBG to fund a Housing and Social Service Coordinator who pre-screens Broward County Continuum of Care clients and refers them to proper agencies within the institutional delivery system. The Housing and Social Service Coordinator shall also staff the SHIP funded TBRA program at Strategy D.

**Section II. LHAP Strategies:**

A.

<b><i>Owner-Occupied Rehabilitation</i></b>	<b>3</b>
---	----------

## a. Summary of Strategy:

The Owner-Occupied Rehabilitation loan program assists a legal owner of a single family home who occupies the unit as his or her principal residence. The property must be located within the City of Hollywood. The after-rehabilitation value of the property must not exceed statutory limitations as amended from time to time. In the event the City uses HOME funds in combination with SHIP funds as part of the activity, the after-rehabilitation value of the home must not exceed HOME after-rehabilitation value limitations as amended from time to time. This program is designed to assist property owners in eliminating code violations by addressing structural, electrical, mechanical, plumbing, and roofing components of the home.

b. Fiscal Years Covered: **2016-2017, 2017-2018 and 2018-2019**c. Income Categories to be served: **Very-low, Low, and Moderate**d. Maximum award: **\$90,000.00**

## e. Terms:

1. Loan/deferred loan/grant: **Deferred Loan** - Funds will be awarded as a deferred loan secured by a recorded mortgage and note.
2. Interest Rate: **0%**
3. Term: **30 years**
4. Forgiveness/Repayment: **Repayment** – The loan is payable in full on the maturity date of the Promissory Note (Thirty years from signing). However, at thirty days prior to the maturity date the City shall offer the mortgagor a refinancing option under the same terms and conditions, so long as the mortgagor has not defaulted on any terms and conditions set forth in the mortgage.
5. Default/Recapture: **Default** - The loan will be in default, if any of the following occurs and as set forth in the Mortgage document during the Loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence, failure to maintain fire, hazard, flood, and windstorm (where applicable) insurance in an amount that is adequate to cover all property loans, with the City named as loss payee, failure to maintain the property in accordance with all City codes and regulations, or failure to maintain the property in order to prevent waste, impairment or deterioration of the property. If any of these occur, it shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue

acceleration of the payment and all other legal remedies to recapture the balance.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who must occupy the home as his/her primary residence. If the legal heir/beneficiary is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall be due and payable.

If the home is foreclosed by a superior mortgage holder, the City will pursue any and all legal and equitable remedies to secure repayment through appropriate legal processes, if it is determined that adequate funds are available to justify pursuing repayment.

f. Recipient Selection Criteria:

Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs and income groups as described in section I of this plan.

g. Sponsor/Developer Selection Criteria: N/A

h. Additional Information:

All work shall be performed by contractors on the City’s approved contractors list.

B.

<b><i>Demolition/Reconstruction</i></b>	<b>4</b>
---	----------

a. Summary of Strategy:

The Demolition/Reconstruction loan program assists a legal owner of a single family home who occupies the unit as his or her principal residence.

During the course of inspecting single family homes for potential rehabilitation, it is occasionally determined that it is not cost effective to rehabilitate the structure. These homes typically have extensive code violations, including health and safety concerns. When a property falls within these circumstances, the City may provide a Demolition/Reconstruction loan to demolish an existing structure and replace it with a new home. The maximum loan amount shall not exceed statutory limitations as amended from time to time. In the event the City uses HOME funds in combination with SHIP funds as part of the activity, the maximum loan amount shall not exceed the HOME after-rehabilitation value limitations as amended from time to time. (The City has established the Average Area Purchase Price for new and existing homes utilizing the purchase prices allowed by the U.S. Treasury Department).

b. Fiscal Years Covered: **2016-2017, 2017-2018 and 2018-2019**

- c. Income Categories to be served: **Very-low, Low, and Moderate**
- d. Maximum award: **\$200,000.00**
- e. Terms:
1. Loan/deferred loan/grant: **Deferred Loan** - Funds will be awarded as a deferred loan secured by a recorded mortgage and note. The City offers a deferred-payment mortgage loan in partnership with a participating private lender. The mortgage subsidy offsets the costs of demolition and construction and will be determined on a case by case basis, depending upon the availability of funds.
  2. Interest Rate: **0%**
  3. Term: **30 Years**
  4. Forgiveness/Repayment: **Repayment** - The loan is payable in full on the maturity date (Thirty years from signing) on the Promissory Note. However, at thirty days prior to the maturity date the City shall offer the mortgagor a refinancing option under the same terms and conditions, so long as the mortgagor has not defaulted on any terms and conditions set forth in the mortgage.
  5. Default/Recapture: **Default** - The loan will be in default, if any of the following occurs and as set forth in the Mortgage document during the Loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence, failure to maintain fire, hazard, flood, and windstorm (where applicable) insurance in an amount that is adequate to cover all property loans, with the City named as loss payee, failure to maintain the property in accordance with all City codes and regulations, or failure to maintain the property in order to prevent waste, impairment or deterioration of the property. If any of these occur, it shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all other legal remedies to recapture the outstanding balance.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who must occupy the home as a primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall be immediately due and payable.

If the home is foreclosed by a superior mortgage holder, the City shall endeavor to secure repayment through the appropriate legal processes, if adequate funds are available to justify pursuing repayment.-

- f. Recipient Selection Criteria:

Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs and income groups as described in section I of

this plan.

g. Sponsor/Developer Selection Criteria: N/A

h. Additional Information:

All work shall be performed by contractors on the City's approved contractors list.

C.

<b><i>Disaster Repair/Mitigation</i></b>	<b>5</b>
--	----------

a. Summary of Strategy:

The Disaster Strategy provides assistance to households following a natural or manmade 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 natural or manmade disaster using any funds that have not yet been encumbered, or additional disaster funds made available through Florida Housing Finance Corporation. SHIP disaster funds may be used for items such as, but not limited to:

- i. purchase of emergency supplies for eligible households to weatherproof damaged homes;
- ii. interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable;
- iii. construction of wells or repair of existing wells where public water is not available;
- iv. payment of insurance deductibles for rehabilitation of homes covered under homeowners insurance policies;
- v. security deposit for eligible recipients who have been displaced from their home due to disaster;
- vi. rental assistance for the duration of Florida Office of the Governor Executive Order, for eligible recipients who have been displaced from their home due to disaster;
- vii. other activities as proposed by the City and approved by Florida Housing Finance Corporation.

b. Fiscal Years Covered: **2016-2017, 2017-2018 and 2018-2019**

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

d. Maximum award: **\$20,000.00**

e. Terms:

1. Loan/deferred loan/grant: **Grant** - Funds will be awarded as a grant with no recapture terms.
2. Interest Rate: N/A
3. Term: N/A

4. Forgiveness/Repayment: N/A
  5. Default/Recapture: N/A
- f. Recipient Selection Criteria:
- Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs and income groups as described in section I of this plan.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information:
- SHIP funds at all times must be used for eligible applicants and eligible housing. SHIP disaster funds shall not be used for the purchase or rehabilitation of mobile homes.

D.

<b><i>Tenant Based Assistance - Rental</i></b>	<b>13</b>
--	-----------

- a. Summary of Strategy:
- Funds will be awarded to eligible applicants in need of Tenant-Based Assistance to remedy a risk of homelessness situation. The funds allocated will pay for security deposits and utility deposits, eviction prevention for a period not to exceed six (6) month's rent, or rent subsidy for very-low-income families involving at least one person with special needs as defined in s. 420.0004 or one individual experiencing homelessness as defined in s. 420.621 for a period not to exceed twelve (12) months.
- b. Fiscal Years Covered: **2016-2017, 2017-2018 and 2018-2019**
- c. Income Categories to be served: **Very Low, Low, Moderate**
- d. Maximum award: **\$5,000.00**
- e. Terms:
1. Loan/deferred loan/grant: **Grant** – Funds will be awarded as a grant with no recapture terms. The recipient will be required to execute and grant agreement.
  2. Interest Rate: **N/A**
  3. Term: **N/A**
  4. Forgiveness/Repayment: **N/A**
  5. Default/Recapture: **N/A**
- f. Recipient Selection Criteria:
- Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs and income groups as described in Section I of this plan.

- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: N/A

E.

<i>Acquisition/Rehabilitation</i>	<b>9</b>
-----------------------------------	----------

- a. Summary of Strategy:

The City may acquire single family homes appropriate to be used as an affordable housing product. This program is intended to address the rehabilitation and re-sale of properties owned by the City or properties that are in the private market that can be acquired, rehabilitated and used as an affordable principal residence.

The “Purchase Assistance with Rehabilitation” program provides purchase assistance to SHIP-eligible homebuyers and rehabilitates substandard City-owned and privately owned single family homes. The City shall contract with a sub recipient to administer the rehabilitation and re-sale of City-owned single family homes, town homes, or condominiums to SHIP-eligible homeowners.

In order to receive purchase assistance, participants must contribute the greater of 3% of the purchase price or \$2,500.00 from their funds towards the purchase; with the exception of Habitat for Humanity home buyers for whom sweat equity may be accepted as part of the 3% contribution from the participant.

- b. Fiscal Years Covered: **2016-2017, 2017-2018 and 2018-2019**
- c. Income Categories to be served: **Very Low, Low, Moderate**
- d. Maximum award: **\$150,000.00**
- e. Terms:
  1. Loan/deferred loan/grant: **Deferred Loan** - the loan will be secured by Mortgage and Note that shall be supported by a Deed Restriction.
  2. Interest Rate: **0%**
  3. Term: **30yrs.**
  4. **Maximum Award: \$40,000**
  5. Forgiveness/Repayment: **Repayment** - The loan is payable in full on the maturity date (Thirty years from signing) on the Promissory Note. However, at thirty days prior to the maturity date the City shall offer the mortgagor a refinancing option under the same terms and conditions, so long as the mortgagor has not defaulted on any terms and conditions set forth in the mortgage.
  6. Default/Recapture: **Default** - The loan will be determined to be in default if

any of the following occurs and as set forth in the Mortgage document during the Loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence, failure to maintain fire, hazard, flood, and windstorm (where applicable) insurance in an amount that is adequate to cover all property loans, with the City named as loss payee, failure to maintain the property in accordance with all City codes and regulations, or failure to maintain the property in order to prevent waste, impairment or deterioration of the property. If any of these occur, it shall be considered a default under the City’s Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all other legal remedies to recapture the outstanding balance.

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

If the home is foreclosed on by a superior mortgage holder, the City will endeavor to secure repayment through the appropriate legal processes, if adequate funds are available to justify pursuing repayment.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs and income groups as described in section I of this plan.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: N/A

F.

<u><i>New Construction/Purchase Assistance without Rehab</i></u>	<u><i>10 and 2</i></u>
--	------------------------

a. **Summary of Strategy:** This strategy is designed to work cooperatively with the City of Hollywood Development Incentives activity funded by City of Hollywood Home Investment Partnership Act (HOME) funds. Coupled with HOME funds this strategy promotes the construction of affordable housing for home ownership opportunities within the Liberia Neighborhood of the City of Hollywood (CT 805 BG 4).

There may be instances where the cost to develop the projects is higher than that of the appraised value or the sales price. This occurs in areas where construction costs are high but the neighborhoods are blighted and have low property values. To the



extent that expenses associated with development of the project exceed the sales price the difference between the figures shall be a grant to the applicant.

b. Fiscal Years Covered: **2016-2017**

c. Income Categories to be served: **Very Low, Low**

d. Maximum award:

**Sponsor/Developer - \$225,000.00 (per Development),**

**Note:** All SHIP funds contributed to this project used for construction will convert to a direct benefit to the applicant in the form of a Deferred Loan under the terms to “Recipient”.

**Recipient – \$18,000.00 (per Recipient)**

e. Terms: **Sponsor/Developer**

1. Loan/deferred loan/grant: **Deferred Loan** - Funds will be awarded to the Developer as a deferred loan secured by a recorded mortgage and note. SHIP funds awarded to the Sponsors/Developers will be secured by a Mortgage and Note on the site to ensure that each property is sold to an income-eligible buyer.
2. Interest Rate: **0%**
3. Term: **2yrs.**
4. Forgiveness/Repayment: **Forgiveness** - When the sponsor/developer sells the property to an income eligible buyer, the loan to the sponsor/developer is converted to deferred loans to recipients on a per property basis. All SHIP funds contributed to this project used for construction will convert to a direct benefit to the applicant in the form of a Deferred Loan under the terms to “Recipient” below.
5. Default/Recapture: **Default** - The loan will be determined to be in default when the Sponsor/Developer fails to meet the program requirements, fails to secure all financing and permits to meet the program timeline for expenditure or fails to sell the home within the required timeframe to an eligible applicant.

Terms: **Recipient**

1. Loan/deferred loan/grant: **Deferred Loan** - The loan will be secured by a Mortgage and Note.

2. Interest Rate: 0%
3. Maximum Award: \$18,000.00
4. Term: 30yrs.
5. Forgiveness/Repayment: **Repayment** - The loan is payable in full on the maturity date (Thirty years from signing) of the Promissory Note. However, at thirty days prior to the maturity date the City shall offer the mortgagor a refinancing option under the same terms and conditions, so long as the mortgagor has not defaulted on any terms and conditions set forth in the mortgage.
6. Default/Recapture: **Default** - The loan will be determined to be in default if any of the following occurs and as set forth in the Mortgage document during the Loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence, failure to maintain fire, hazard, flood, and windstorm (where applicable) insurance in an amount that is adequate to cover all property loans, with the City named as loss payee, failure to maintain the property in accordance with all City codes and regulations, or failure to maintain the property in order to prevent waste, impairment or deterioration of the property. If any of these occur, it shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all other legal remedies to recapture the outstanding balance.

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

If the home is foreclosed on by a superior mortgage holder, the City will endeavor to secure repayment through the appropriate legal processes, if adequate funds are available to justify pursuing repayment.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs and income groups as described in section I of this plan.
- g. Sponsor/Developer Selection Criteria: For-profit and non-profit developers that are in good standing with the City and all other applicable regulators and funders; that

have a history of providing successful affordable homeownership opportunities within the City; that are receiving funds from the City of Hollywood Development Incentives program; that are proposing a project that includes a minimum of twelve (12) three (3) bedroom units; that are proposing a development with a sales price within HOME and SHIP regulatory and statutory limits; and that have secured site control of properties in the Liberia Neighborhood shall be selected for funding based on a first-qualified, first-served basis.

- h. Additional Information: Funds may be used as a match for U.S. Department of Housing and Urban Development's HOME program and various other programs offered by the federal government and the State of Florida to develop affordable housing.

### 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**  
 Permitting will be in accordance with s. 163.3177 (6) (f) (3) affordable housing and the Florida Building Code for development orders and development permits as defined in Section 163.3164, F.S.

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

Affordable Housing Projects are color coded to denote prioritization during the permitting process. A "Special Projects Coordinator", located within the Building Division tracks and provides assistance to Community Development staff to ensure the continual progress of Affordable Housing Projects through the permitting process.

- 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 City Electronically routes City Commission agenda items for approvals via the Granicus Legistar system. The system creates an automated approval sequence with selected approvers that are notified when an item is ready for their review. Community Development staff is included in sequence. When Community Development staff is notified of an item that may increase the cost of housing, a meeting of the Affordable Housing Advisory Committee is scheduled to review the item. The Affordable Housing Advisory Committee reviews the item for the following:

- Does the proposed action increase the cost of housing?
- If Yes, is the assumed cost increase substantial or otherwise detrimental to the

development of affordable housing?

- Does the proposed action support an overall goal of the City and/or have an alternate value to the target population?
- Do the long-term benefits of the proposed action outweigh any possible cost increase to housing?
- Does the proposed action protect the ability of the property to appreciate in value?

The findings and recommendation of the Affordable Housing Advisory Committee are then forwarded to the City of Hollywood City Commission for final action.

- C. Name of the Strategy: **The reduction of parking and setback requirements for affordable housing.**

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

The Planning Department, on a case by case basis, recognizes lower auto ownership rates within LMI properties and supports the granting of variances for reduced parking requirements, as appropriate.

#### IV. EXHIBITS:

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