



**LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**State Housing Initiatives Partnership (SHIP)**

**FISCAL YEARS COVERED**

**2016/2017**

**2017/2018**

**2018/2019**



**City of Delray Beach  
Neighborhood Services Division  
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**I. PROGRAM DETAILS** Chapter 67-37.005 F.A.C. and Section 420.9072, F.S.

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

*Section 420.9072(5), F.S.*

City of Delray Beach

Interlocal: Yes \_\_\_\_\_ No   X  

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

**B. Purpose of the program:** *Section 420.9072, F.S. and Chapter 67-37.005(3), F.A.C.*

Creation of the Plan is for the purpose of meeting the housing needs of the very-low, low-, and moderate-income households, to expand production of and preserve affordable housing, to further the housing element of the City of Delray Beach's comprehensive plan specific to affordable housing.

**C. Fiscal years covered by the Plan:** *Chapter 67-37.002, F.A.C.*

2016-2017, 2017-2018 and 2018-2019

**D. Governance:** *Chapter 67-37.005(3) and (5)(i) F.A.C. and Section 420.9071(14) F.S.*

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. The SHIP Program furthers the housing element objective of providing increased housing opportunities for low-income persons. Cities and Counties at all times must be in compliance with these applicable statutes and rules.

**E. Local Housing Partnership** *Section 420.9072(1)(a), F.S.*

SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons, community groups persons or entities that can provide housing or support services and lead agencies of the local continuums of care. The City of Delray Beach's Community Improvement Department has engaged a partnership with the Delray Beach Community Redevelopment Agency, Delray Beach Housing Authority (Delray Housing Group), Delray Beach Community Land Trust, the Habitat for Humanity of South Palm Beach County, and local contractors. This partnership was developed to implement a comprehensive home-building and community revitalization program. Resources from each participant are leveraged to minimize the duplication of services, streamline the approval process and to reduce the cost of housing to very-low, low-, and moderate-income homebuyers.

**F. Leveraging:** *Chapter 67-37.007(1)(b)(c), F.A.C. and Section 420.9075(1)(a) and (1)(b)3, and (1)(c), F.S.*

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. The use of SHIP funds along with CDBG funds, General Revenue contributions awarded by the City, CRA, leveraged with private sector financing and technical support and other public funds provide the basis for increasing the

supply of affordable housing for Delray Beach residents. Emphasis remains on combining neighborhood improvements with the provision of homeownership opportunities for the very-low and low income households.

**G. Public Input:** *Chapter 67-37.005(3), F.A.C.*

Public input was solicited through Affordable Housing Advisory Committee Meeting whereby the public is invited to attend and provide comments on allocation of program funds and implementation of program strategies and incentives.

**H. Advertising and Outreach** *Chapter 67-37.005(6)(a), F.A.C.*

The City advertises the notice of funding availability in a local 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. In addition to advertising in the newspaper, the City publicizes the SHIP program on the City's web site and through other organized methods that may be available. The City of Delray Beach distributes flyers to neighborhood associations located in the CDBG target area and its local housing partners.

**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 applications were submitted as well as any established funding priorities as described in this plan. Priorities for funding described/listed here apply to all strategies unless otherwise stated in the strategy

**J. Discrimination:** *Section 420.9075(3)(c), F.S.*

In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing. In implementing its SHIP program, the City of Delray Beach is mindful of affirmatively furthering fair housing. The City utilizes CDBG funds to further fair housing outreach and education activities, as called for in the Consolidated Plan. All SHIP applicants are required to attend home buyer education seminars that include a segment on fair housing.

**K. Support Services and Counseling:** *Chapter 67-37.005(5)(g), F.A.C.*

Support services are available from various sources. Available support services may include but are not limited to homeownership counseling (pre and post), receive education about credit counseling, choosing a realtor, predatory lending, fair housing, pre-purchase home inspections, and post-purchase education on topics such as budgeting, home maintenance, energy conservation.

**L. Purchase Price Limits:** *Section 420.9075(4)(c), F.S. and Chapter 67-37.007(6)F.A.C.*

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 than 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 by the City of Delray Beach is:

  X   U.S. Treasury Department  
      Local HFA Numbers

The purchase price limit will be the amount a home buyer can afford to purchase using the underwriting criteria established by the City, not to exceed \$386,202 for both new and existing homes. The purchase price limit will be revised as needed in response to changes in the local real estate market, mortgage interest rates.. Any such revisions will be subject to City Commission and State approval.

**M. Income Limits, Rent Limits, Affordability and Essential Service Personnel:**

*Chapter 67-37.005(5)(e), F.A.C. and Section 420.9071(2), F.S.*

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), 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. The City of Delray Beach has established a maximum limit of 40% of gross monthly income on the housing expenses of SHIP assisted buyers.

**N. Welfare Transition Program:** *Chapter 67-37.005(6)(b)(7)F.A.C.*

Should an eligible sponsor be used, the City has developed a qualification system and selection criteria for applications for awards to eligible sponsors, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition programs will be given preference in the selection process.

**O. Monitoring and First Right of Refusal:** *Section 420.9075(3)(e)and (4) (f), F.S.*

In the case of rental housing, the staff or 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 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 \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored at least annually for 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:** *Chapter 67-37.005(6)(f)3, F.A.C..*

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as **Exhibit A**. These are presented on an annual basis for each State fiscal year submitted. The City of Delray Beach finds that the monies deposited in 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 City of Delray Beach has determined that 5% of the SHIP allocation and 5% of the program income is insufficient to adequately cover the administrative costs of the Program. It is necessary to maintain the percentage of funds available for administration at 10% of the SHIP allocation and 5% of program income. The City of Delray Beach has adopted the above findings in the attached resolution, **Exhibit E**.

**Q. Program Administration:**

Administration of the local housing assistance plan is the responsibility of the City of Delray Beach Community Improvement Neighborhood Services Division.

**R. Essential Services Personnel:**

“Essential Services Personnel” means persons whose household incomes do not exceed 120% of AMI, as determined annually by the Florida Housing Finance Corporation and adjusted for family size, and shall include teachers and educators; other school district, community college, and university employees; police and fire personnel; health care personnel; skilled building trades personnel; Federal, State, County, and local government personnel; and may also include utility system (water/sewer, electrical, communication, etc.) personnel; information technology industry personnel; child care personnel; personal service providers; retail workers; wholesale/warehouse personnel; tourism industry personnel; biotechnology industry personnel; non-profit personnel; food service personnel; landscaping industry personnel; cosmetology service providers; facility maintenance personnel; automotive service personnel; marine services personnel; and personnel in other industries deemed essential by City of Delray Beach government based on the local economy. The City of Delray Beach will review and possibly revise this definition of essential service workers on an as needed basis to conform to local economic and industry trends.

**S. Energy Efficiency Section 420.9075(3)(d)**

Energy Efficiency and Green Housing-related repairs shall be encouraged. The local utility provider may perform a free Energy Audit. Every effort will be made to leverage SHIP funding with Utility Rebates for insulation, appliances replacement, encourage innovative design, green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance and more. Repairs shall also be guided by the minimum building code which is the 2014 Residential Florida Building Code.

All General Contractors utilizing funding are required to be Leadership in Energy and Environmental Design (LEED) Certified. LEED certification is the nationally accepted benchmark for the design, construction and operation of high performance green buildings. LEED gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

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

**A. Name of the Strategy: Purchase Assistance**

1. Summary of the Strategy: This strategy assists eligible first-time homebuyers within 0-120% of the Area Median Income (AMI) with a 0% interest, deferred payment loan to be applied towards down-payment, rehabilitation costs (if applicable), closing costs and principal reductions for the construction of new and/or purchase of existing single family homes, townhouses, villas and condominiums.
2. Fiscal Years Covered: State fiscal years 2016/2017, 2017/2018 and 2018/2019.
3. Income Categories to be served: Very-low, low-, and moderate-income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
4. Maximum award is noted on the Housing Delivery Goals Charts: The maximum award is limited to \$75,000; however, the maximum is not automatically provided on an individual basis; rather, the amount of subsidy awarded will be the minimum amount necessary to enable the buyer to purchase the property at a monthly payment affordable to him or her. Total subsidy may not exceed mortgage loan amount.
5. Terms, Recapture and Default: Assistance will be provided to eligible households in the form of a fifteen (15) year, 0% interest, forgivable deferred loan for amounts less than \$35,000. For amounts equal to or greater than \$35,000, assistance will be provided in the form of a thirty (30) year, 0% interest, forgivable deferred loan. All loan awards will be secured with a second mortgage/promissory note and will be forgiven specific to the duration of the note. Repayment of the full loan award will be immediately due to the City in the event any "qualifying event(s)" occur prior to expiration of the note. Qualifying event(s) are considered to be:

- sale of unit or transfer of title;
- the assisted homeowner fails to continuously occupy the home;
- the unit is rented;
- unit is refinanced without prior authorization of the City.

Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are recaptured. If no “qualifying event(s)” occur prior to the expiration of the note, the loan is totally forgiven. In the event the homeowner wishes to refinance his or her first mortgage or take out an equity loan to make repairs or improvements, the City has created an administrative policy pertaining to subordination requests. The subordination policy, attached as Exhibit “I”, is located in the Neighborhood Services Division and is available for public access.

6. Recipient Selection Criteria: In addition to being income eligible as described above, applicants must meet the following selection criteria:

- Applicants will be selected on a first come, first qualified basis
- Must be first-time homebuyer(s), which is defined as one of the following:
  - someone who has not owned a home during the past three years;
  - a single parent who has been divorced and displaced within the 12 month period prior to time of application, and whose household includes children under the age of 18;
  - a displaced victim of domestic abuse;
  - a person displaced as a result of a government action (other than eviction from public housing; and those who have special needs according to Chapter 67-37.002(13);
- Must have a bank account;
- Applicants must contribute a minimum of 5% of the purchase price toward the transaction (out-of-pocket expenses are included in this calculation);
- Applicant must have applied for a first mortgage with a lender,
- The applicant must have attended and completed an approved homebuyer education course (i.e., at least four hours in length and conducted in a classroom setting) by a HUD approved agency or approved by the Neighborhood Services Division;
- May not currently own or have assets exceeding \$35,000 (monetary gifts and real estate are included in the asset calculation; retirement accounts are not);
- SHIP funds are reserved in the individual's name for a six-month period, provided that available SHIP funds remain.

7. Sponsor Selection Criteria: Eligible sponsors must meet the following selection criteria:

- designated 501(c)(3) non-profit organization under IRS guidelines;
- legally operating within the jurisdiction of the City of Delray Beach and/or Palm Beach County;
- has demonstrated track record and production experience in the construction and delivery of affordable housing;
- possess a partnership agreement with the City of Delray Beach to participate and further its goals in the delivery of affordable housing to the City's very-low, low- and moderate-income households;
- preference will be given to sponsors that employ personnel from Welfare Transition



Program.

8. Additional Information: New units constructed and existing homes must be located within the incorporated City limits of Delray Beach municipal boundaries. Applicants owing money to other assisted housing programs (such as Section 8 and public housing) are ineligible for SHIP assistance until they make restitution.

**B. Name of the Strategy: Owner-Occupied Housing Rehabilitation**

1. Summary of the Strategy: This strategy provides 0% interest, deferred payment loans to assist very-low, low- and moderate-income households (below 120% of Area Median Income adjusted for family size) to rehabilitate existing owner-occupied single family units up to 2 unit duplexes. Rehabilitation of units will address interior and exterior building/electrical/plumbing problems, health and safety issues, as well as, retrofit of items for those with special needs, upgrade major systems, and soft costs. It is assumed that no private lender monies will be involved in these rehabilitation activities.
2. Fiscal Years Covered: State fiscal years 2016/2017, 2017/2018 and 2018/2019.
3. Income Categories to be served: Very-low, low- and moderate-income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
4. Maximum award is noted on the Housing Delivery Goals Charts: The maximum award for this strategy is \$45,000. However, the maximum is not automatically provided on an individual basis; rather, the amount of subsidy awarded will be the minimum amount necessary to make the necessary repairs and bring the house up to the City's minimum code requirements.
5. Terms, Recapture and Default: Assistance greater than \$5,000 but less than \$20,000 will be provided to eligible households in the form of a 0% interest, deferred payment loan secured by a promissory note forgivable over ten (10) years. Loan awards equal to or greater than \$20,000 will be provided in the form of a 0% interest, deferred payment loan secured by a promissory note forgivable over fifteen (15) years. Assistance under \$5,000 will be awarded as a grant and will not be subject under the program's recapture provisions. Repayment of the full loan award will be immediately due to the City in the event any "qualifying event(s)" occur prior to expiration of the note. Qualifying event(s) are considered to be:
  - sale of unit or transfer of title (except for major healthcare expenses or by inheritance);
  - the assisted homeowner fails to continuously occupy the home;
  - the unit is rented;
  - the unit is refinanced without prior authorization of the City.
  - Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are recaptured. If no "qualifying event(s)" occur prior to the expiration of the note, the loan is totally forgiven. In the event the homeowner wishes to refinance his or her first mortgage or take out an

equity loan to make repairs or improvements, the City has created an administrative policy pertaining to subordination requests.

6. Recipient Selection Criteria: In addition to being income eligible as described above, applicants must meet the following selection criteria:
  - Applicants will be selected on a first come, first qualified basis;
  - Applicant may not currently own or have assets exceeding \$25,000 (monetary gifts and real estate are included in the asset calculation; retirement accounts are not);
  - Must be owner/occupant;
  - Mortgage payments and taxes must be current/paid up to date;
  - Must provide proof of current homeowners insurance.
7. Sponsor Selection Criteria: N/A. No sponsors are utilized for the Owner-Occupied Rehabilitation program.
8. Additional Information: The home must be located in the City's municipal boundaries; the appraised value of the home may not exceed the maximum sales price allowed in the SHIP program for existing units; and the homeowner must agree to maintain the home free of any code violations after rehabilitation work is completed. The property will be monitored annually by Housing Inspector for adherence of this responsibility. In the case of default, income eligible heirs residing in the property can assume the second mortgage.
9. ENERGY EFFICIENCY and Green Housing-related repairs shall be encouraged. The local utility provider may perform a free Energy Audit. Every effort will be made to leverage SHIP funding with Utility Rebates for insulation, appliances replacement and more. Repairs shall also be guided by the minimum building code which is the 2014 Florida Building Code Residential. These repairs shall include but not be limited to the following:
  - Window repair, replacement and weather stripping
  - Paints and primers that meet the Green Seal G-11 Environmental Standard
  - Commodes or water closet with 1.3 gallons per flush capacity.
  - Building envelop sealing specifications
  - Installation of Energy Star Ceiling Fans
  - Integrated Pest Control Management that does not use insecticides.
  - Proper ventilation when undertaking substantial rehabilitation
  - Installation of Energy Star efficient lighting, including fixtures
  - Installation of efficient equipment for heating, cooling and water heating.
  - Efficient air distribution, where ducts are installed with minimum air leaks and are effectively insulated.

All General Contractors utilizing funding are required to be Leadership in Energy and Environmental Design (LEED) Certified. LEED certification is the nationally accepted benchmark for the design, construction and operation of high performance green buildings. LEED gives building owners and operators the tools they need to have an immediate and measurable impact on their buildings' performance. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and

indoor environmental quality.

### **C. Name of the Strategy: Land Acquisition**

1. Summary of the Strategy: This strategy will provide funds to acquire properties for future development by non-profit, public agencies or for profit developers. Properties will be acquired through deed and tax sales, the foreclosure of government liens and through private purchases.
2. Fiscal Years Covered: State fiscal years 2016/2017, 2017/2018 and 2018/2019.
3. Income Categories to be served: Very-low, low-, and moderate-income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
4. Maximum award is noted on the Housing Delivery Goals Charts:  
  
The maximum purchase price for a “buildable lot of record” as defined in the City’s Land Development Regulations will be \$40,000. The maximum purchase price for aggregate lots or large tracts of lands shall be determined by the appraised value at time of purchase.
5. Terms, Recapture and Default: The loan for the value of the land will be at 0% interest. The loan will be recaptured when the property is sold.
6. Recipient Selection Criteria: In addition to being income eligible as described above, applicants must meet the same selection criteria for recipients under Strategy A: Purchase Assistance.
7. Sponsor Selection Criteria: Eligible sponsors must meet the following selection criteria:  
  
Properties will be donated and/or sold, competitively to non-profit agencies that will use the property for the development of affordable housing. Properties sold competitively to for profit developers must be utilized for the development of affordable housing. Construction, rehabilitation, or emergency repairs must be completed either with one year immediately preceding the date of conveyance of title or within 24 months of the close of the applicable State fiscal year. Program regulations do not support land banking. Eligible housing occupied by an eligible applicant must be completed within the program expenditure timeline.
  - designated 501(c)(3) non-profit organization under IRS guidelines;
  - legally operating within the jurisdiction of the City of Delray Beach and/or Palm Beach County;
  - has demonstrated track record and production experience in the construction and delivery of affordable housing;
  - preference will be given to sponsors that employ personnel from Welfare Transition Program.

- If property is sold to a for-profit developer, applications will be accepted and awarded competitively using criteria including, but not limited to the following:
  - Financial strength of the agency;
  - Ability of developer to complete the development by the deadlines established by the State;
  - Capacity of the developer;
  - Features of the proposed house(s);
  - Marketing plan for the sale of the house(s);
- Whether or not the agency employs personnel from the Welfare Transition Program;
- Whether the proposed housing is compatible with the neighborhood in terms of design and size;
- Affordability of house(s) being built.

#### **D. Name of the Strategy: Disaster Relief**

1. Summary of the Strategy: In the event of a natural disaster (as declared by Executive Order), SHIP funds will be used to leverage available federal and state funds to provide assistance to income eligible households for the purpose of repairing eligible housing. Generally, such needs may include: purchase of emergency supplies for eligible households to weatherproof damaged homes, interim repairs to avoid further damage, tree and debris removal required to make individual housing units habitable, and post disaster assistance with non-insured repairs.
2. Fiscal Years Covered: State fiscal years 2016/2017, 2017/2018 and 2018/2019.
3. Income Categories to be served: Very-low, low- and moderate-income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
4. Maximum award as noted on the Housing Delivery Goals Charts: The maximum award for this strategy is \$15,000 per unit.
5. Terms, Recapture and Default: Assistance will be provided in the form of a grant, so individual households will not be required to repay funds used for disaster assistance. In the event that the City receives reimbursement from federal or state sources, such repair funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are disbursed.
6. Recipient Selection Criteria: In addition to being income eligible as described above, applicants will be served on a first-come, first-qualified basis, pending fund availability. Residence must be located within the municipal boundaries of Delray Beach.
7. Sponsor Selection Criteria: N/A.
8. Additional Information: This strategy will be implemented only in the event of a natural disaster declaration using any SHIP funds that have not been encumbered.

**E. Name of Strategy: Sub-Recipient Housing Partnership Program.** This strategy shall not be used in conjunction with any other assistance program offered by the City of Delray Beach.

1. Summary of the Strategy: This strategy assists eligible first-time homebuyers within 0-120% of the Area Median Income (AMI) with a 0% interest, deferred payment loan to be applied towards the principal reduction for the construction/acquisition of new/existing single family homes within the Community Land Trust inventory.
  1. Fiscal Years Covered: State fiscal years 2016/2017, 2017/2018 and 2018/2019.
  2. Income Categories to be served: Very-low, low- and moderate-income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
  4. Maximum award is noted on the Housing Delivery Goals Charts: The maximum award is limited to \$75,000 however, the maximum is not automatically provided on an individual basis; rather, the amount of subsidy awarded will be the minimum amount necessary to enable the buyer to purchase the property at a monthly payment affordable to him or her. City subsidy may not exceed mortgage loan amount.
  5. Terms, Recapture and Default: Assistance will be provided to eligible households subject to not exceeding the maximum amount of \$75,000 per property. Subsidy awards will be evaluated individually on a case-by-case basis in accordance with SHIP income guidelines and will require final approval by the City's Community Improvement Director. The subsidy will be required to be excluded from the applicant's original purchase price in the re-sale formula and is to appear as a construction cost buy-down to maintain the unit's affordability in perpetuity for a period of ninety-nine (99) years. Assistance will be provided to eligible homebuyer in the form of a secured agreement. Repayment of the full loan award will be immediately due to the City in the event any "qualifying event(s)" occur prior to expiration of the note. Qualifying Events shall be:
    - The Community Land Trust owner sells or transfers ownership of the property;
    - The unit is rented by homeowner without prior authorization from the Community Land Trust/City;
    - The unit is refinanced without prior authorization from the Community Land Trust/City;
    - The occupant fails to follow guidelines of the Community Land Trust/City.
- Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are repaid.
6. Sponsor Selection Criteria: Eligible sponsors will be selected via the City's Request for Proposal (RFP) process and must meet the following selection criteria:
  - Designated 501(c)(3) non-profit organization under IRS guidelines;
  - Legally operating Community Land Trust within the jurisdiction of the City of Delray Beach;

- Has demonstrated track record and production experience in the construction and delivery of affordable housing;
  - Operating non-profit in partnership with the City of Delray Beach to participate and further its goals in the delivery of affordable housing to the City's very-low, low- and moderate-income households.
7. Recipients Selection Criteria: In addition to serving an income eligible applicant as described in the Purchase Assistant Strategy, applicants must meet the following selection criteria:
- Applicants will be selected on a first come, first qualified basis
  - Must be first-time homebuyer(s), which is defined as one of the following:
    - someone who has not owned a home during the past three years;
    - a single parent who has been divorced and displaced within the 12 month period prior to time of application, and whose household includes children under the age of 18;
    - a displaced victim of domestic abuse within the 12 month period prior to time of application, and whose household includes children under the age of 18;
    - a person displaced as a result of a government action (other than eviction from public housing; and those who have special needs according to Chapter 67-37.002(13).
  - Must have a bank account
  - Applicants must contribute a minimum of 5% of the purchase price toward the transaction (out-of-pocket expenses are included in this calculation).
  - Applicant must have an accepted/approved contract for a home and have applied for a first mortgage with a lender.
  - The applicant must have attended and completed an approved homebuyer education course (i.e., at least four hours in length and conducted in a classroom setting) approved by the Neighborhood Services Division.
  - SHIP funds are reserved in the individual's name for a six-month period, provided that available SHIP funds remain.

**F. Name of Strategy: Foreclosure Assistance:**

1. Summary of the Strategy: This strategy allocates payment assistance in the form of a deferred payment loan to any homeowner within 0-120% of the Area Median Income (AMI) whose home is in the process of foreclosure due to extenuating circumstances as listed below in the Terms, Recapture and Default section.
2. Fiscal Years Covered:  
State fiscal years 2016/2017, 2017/2018 and 2018/2019.
3. Income Categories to be Served:  
Very-low, Low and Moderate income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

4. Maximum award is noted on the Housing Delivery Goals Charts: The maximum award is limited to \$10,000 inclusive of all attorney fees/court costs; however, the maximum is not automatically provided on an individual basis; rather, the amount of subsidy awarded will be the minimum amount necessary to enable the buyer to continue to retain ownership and regularly make his/her monthly payments.
5. Terms, Recapture and Default:
  - a. Assessed value of home must be equal or less than SHIP purchase price limit.
  - b. Completion of post-counseling through approved counseling agency.
  - c. Foreclosure applicants must show that the nonpayment of their mortgage is not through their own doing. Eligible reasons are:
    - (1) Loss of employment;
    - (2) Sudden medical expenses;
    - (3) Divorce or separation;
    - (4) Death in the family;
    - (5) Unforeseen home repair bills.

Applicants must also show that they will be able to keep the house out of default, genuinely want to keep the house, and must show they can make monthly mortgage payments. Additionally, eligibility for foreclosure assistance shall be done in an expedited manner and may include alternative forms of documentation, such as current pay stubs and benefit letters, as well as oral verification of employment wages, other income, and assets.

- d. Recapture: Loan awards up to \$10,000 will be provided in the form of a 0% interest, deferred payment loan secured by a lien agreement forgivable after five (5) years.

Repayment of the full loan award will be immediately due to the City in the event any “qualifying event(s)” occur prior to expiration of the note. Qualifying event(s) are considered to be:

- sale of unit or transfer of title (except for major healthcare expenses or by inheritance);
- the assisted homeowner fails to continuously occupy the home;
- the unit is leased/rented without prior authorization of the City;
- unit is refinanced without prior authorization of the City;
- failure to follow the guidelines of the LHAP.

Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are recaptured. If no “qualifying event(s)” occur prior to the expiration of the note, the loan is totally forgiven. In the event the homeowner wishes to refinance his or her first mortgage or take out an equity loan to make repairs or improvements, the City has created an administrative policy pertaining to subordination requests.

Leveraging – Leveraging may be used with this strategy; priority will be given to persons previously assisted with SHIP funds for eligible default reasons.

## **G. Rapid Rehousing (Rental Assistance)**

1. Summary of the Strategy: This strategy allocates security and utility deposit assistance and eviction prevention in the form of rental assistance and/or rent subsidies not to exceed six (6) months' rent. The payment would be for individuals/households within 0-120% of the Area Median Income (AMI) whose home is in the process of eviction due to extenuating circumstances as listed below in the Terms, Recapture and Default section.
2. Fiscal Years Covered: State fiscal years: 2016/2017, 2017/2018 and 2018/2019
3. Income Categories to be Served: Very-low, low- and moderate-income limits used are those as defined by U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
4. Maximum award is noted on the Housing Delivery Goals Charts: Assistance will be provided directly to the housing provider as part of a lease agreement. Eligible households are limited to assistance once per lifetime. Recipients of assistance must go through an assessment to determine likelihood of housing sustainability and stabilization once assistance period runs out. On-going rental assistance is not permitted under the SHIP program. Assistance will be limited to a one time grant not to exceed \$5000 per household inclusive of all attorney fees/court costs; however, the maximum is not automatically provided on an individual basis; rather, the amount of funds awarded will be the minimum amount necessary to enable the buyer to continue to retain tenancy and regularly make his/her monthly payments.
5. Terms of Award:
  - a. Completion of post-counseling through approved counseling agency.
  - b. Applicants must show that the nonpayment of their rent is not through their own doing.  
Eligible reasons are:
    - (1) Loss of employment;
    - (2) Sudden medical expenses;
    - (3) Divorce or separation;
    - (4) Death in the family;

Eligibility for assistance shall be done in an expedited manner and may include alternative forms of documentation, such as current pay stubs and benefit letters, as well as oral verification of employment wages, other income, and assets.

- c. Assistance will be limited to a one time grant not to exceed \$5000 per household.

## **III. LHAP INCENTIVE STRATEGIES**

*Section 420.9071(16), F.S.*

### **A. Name of the Strategy**: Expedited Permitting

Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.

1. Established policy and procedures:



The City has in place a “One Stop Shop” permitting process for a coordinated review and approval of all developmental applications submitted through the Building Division. The system features a fully automated application tracking software package that provides the opportunity to readily identify delays in review time from various departments within the permit process. Applications submitted for affordable housing projects will receive a label marking it as such and prioritized for review. Applications received are processed by designated persons under the approved expedited permitting process developed for this program.

In addition, it is the policy of the City of Delray Beach Planning and Zoning and Community Improvement Departments to implement an expedited permit process for affordable housing subdivisions. An affordable housing subdivision is one that:

- Contains at least 10 affordable units.

For projects meeting the above criteria a single point of contact shall be designated (the Director of Planning and Zoning, and/or the Director of Community Improvement or either of their designees). This individual(s) shall be responsible for coordinating all matters relating to the review services for the project and shall provide periodic status reports to the business’s project manager.

A pre-application meeting shall be conducted and shall include the preparation of a time table for project completion. The project shall receive priority at every phase and project review shall include face to face meetings to facilitate the expediting process.

Comments relative to the development review application shall be provided to the applicant within ten (10) business days (Development Application) and fifteen (15) business days (Permit Application) after the submission of a complete application by the applicant. Thereafter, the City and the applicant shall make a mutual commitment to provide development and permit application review comments and plans or revisions thereto in a thorough and timely manner.

Pursuant to LDR Section 2.4.8(C)(1), with submittal of an application that is deemed complete Class IV and V site plan development proposals shall be processed within seven (7) weeks and applications involving re-zonings or Conditional Uses will require an additional four (4) weeks. Class I through III site development applications will be processed in five (5) weeks or less.

As identified above, initial building permit comments shall be provided within fifteen (15) business days of a complete submittal. Thereafter all efforts shall be made to expedite building permits after all outstanding comments have been addressed with the goal of issuing the permits within thirty (30) business days after submittal.

**B. Name of the Strategy:** Ongoing Review Process

An ongoing process which provides for a review and consideration of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to its adoption.

- a. Established policy and procedures:  
The Planning and Zoning Department reviews all proposed new City policies or changes to the LDR's to determine effects, if any, on the cost of housing. If it is determined that there is an impact, an analysis is prepared by appropriate department staff and submitted to City Commission for review prior to its approval.
- C. Name of the Strategy:** Impact Fees Requirements  
An on-going process to allow for the payment of Impact fees associated with new construction of affordable housing units.
  - a. Established policy and procedures:  
The City has been unsuccessful in petitioning the County to waive impact fees associated with new construction of affordable housing units. The County does provide an impact fee credit for units built on a lot, which had a previous residential unit on the site. The Neighborhood Services staff provides the research on properties to identify these credits wherever possible. When no credit is applicable, the City may use SHIP funds to pay the impact fees.
- D. Name of the Strategy:** Waiver of Building Permit Fees  
An ongoing process for reducing the cost of building or rehabilitating affordable housing.
  - a. Established policy and procedures:  
The City does not have a policy regarding the waiver of Building Permit Fees at this time.
- E. Name of the Strategy:** Allowance of Increased Density Levels  
An ongoing process to review zoning regulations for the purpose of allowing increased density to encourage development of affordable housing unit.
  - a. Established policy and procedures:  
The Housing Element of the City's Comprehensive Plan provide for increases to density when it can be demonstrated that such increases will lead to an affordable unit, provided that other policies of the Comprehensive Plan are met. The Land Development Regulations allow for increased densities in planned unit development on a case-by-case basis. In addition, flexible densities are allowable pursuant to the City's Workforce Housing Ordinance. This does not apply to in-fill housing and the lack of large vacant parcels which makes this incentive limited in its effect.
- F. Name of the Strategy:** Reservation of Infrastructure Capacity  
An ongoing process to provide for infrastructure improvements in deteriorating neighborhoods
  - a. Established policy and procedures: Provide Description  
Infrastructure facilities currently exist throughout the entire City. However, where there are visible signs of deterioration, Comprehensive Plan policy provides for prioritization in scheduling necessary improvements. As each year's infrastructure improvement schedule is prepared, priority is given to neighborhoods with concentrations of infrastructure deficiencies.
- G. Name of the Strategy:** Reduction of Parking and Set-Back Requirements

An ongoing process to encourage development of affordable units by allowing for reduced parking and set back requirements

- a. Established policy and procedures: Provide Description  
Regulations require two parking spaces per dwelling unit beyond the required front yard set-back in Single Family Zoning Districts. As an incentive to affordable housing, one of the required parking spaces may be located within the 25' front yard setback reducing haphazard street parking."

**H. Name of the Strategy:** Preparation of a printed inventory of locally owned public lands suitable for affordable housing. An ongoing process to identify land suitable for development of affordable housing.

- a. Established policy and procedures: Provide Description  
The Planning Department has compiled a complete list of City owned lands of 3 acres or more along with available single family lots. The Community Redevelopment Agency maintains a list of vacant parcels, which they own or have under contract suitable for in-fill residential construction. These lists are made available to the public, private developers and non-profit agencies and is updated on an annual basis.

**I. Name of the Strategy:** Reduction of Landscape Requirements  
An ongoing process to encourage the development of affordable units by allowing for a reduction of the City's landscape requirements

- a. Established policy and procedures: Provide Description  
The current requirements at Section 4.6.16(H) for Single Family Housing is that 20% of all pervious lot area be planted in shrubs and ground cover and the remaining 80% of the area be planted in turf. In support of projects participating in the City's Affordable Housing Programs the requirements of the landscape code are reduced to allow for only 10% of the pervious single family lot area be planted in shrubs and ground cover and that they be installed in the front and side setbacks. It is estimated that \$1,200 will be reduced from the cost of producing one unit.

#### **IV. EXHIBITS:**

- A. Administrative Budget for each fiscal year covered in the Plan. Exhibit A.**
- B. Timeline for Encumbrance and Expenditure: Chapter 67-37.005(6)(d) and (f) F.A.C.**  
A separate timeline for each fiscal year covered in this plan is attached as Exhibit B. Program funds will be encumbered by June 30 one year following the end of the applicable state fiscal year. Program funds will be fully expended within 24 months of the end of the applicable State fiscal year.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan: Chapter 67-37.005), F.A.C.**  
Completed HDGC for each fiscal year is attached as Exhibit C.
- D. Certification Page: Chapter 67-37.005(7), F.A.C.**  
Signed Certification is attached as Exhibit D.

- E. **Adopting Resolution:** *Section 420.9072(2)(b)2, F.S.*  
Original signed, dated, witnessed or attested adopting Resolution 13-16 is attached as **Exhibit E.**
- F. **Ordinance:** *Section 420.9072(3)(a), F.S.*  
If changed from the original ordinance, a copy is attached as **Exhibit F.** This item has not changed as of May 2007.
- G. **Interlocal Agreement:** *Section 420.9072, F.S.*  
A copy of the Interlocal Agreement if applicable is attached as **Exhibit G.**  
This item is not applicable as of May 2016.
- H. **Subordination Policy:**  
A copy of the Subordination Agreement attached as **Exhibit H.**