



## AGENDA MEMO

**TO:** Mayor and Commission **AGENDA DATE:** 01/20/09  
**FROM:** Faith G. Miller, City Manager **AGENDA ITEM:** 7 - C  
**SUBJECT:** Request for Approval of State Housing Initiatives Partnership Program (SHIP) Amendment to PY 2004-2006 Local Housing Assistance Plan

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### BACKGROUND:

In April of 2004, the City Commission approved the State Fiscal Year 2004 – 2006 Local Housing Assistance Plan (LHAP) required to receive funding for affordable housing activities under the State Housing Initiatives Partnership (SHIP) Program. The LHAP covers activities to be funded under the grants for State Fiscal Year 2004/2005, 2005/2006, and 2006/2007, which includes the time period of July 1, 2004 through June 30, 2007.

The 2004-2006 LHAP has an expenditure deadline of July 30, 2009. In an effort to meet this deadline and comply with statutory set-a-side requirements from Florida Housing Finance Corporation (FHFC) staff requests approval for the inclusion of a Foreclosure Prevention Program. Further, the addition of this strategy to 2004-2006 LHAP will increase the City's ability to meet a community need due to high foreclosure rates and develop consistency within the implementation and delivery of the SHIP assisted Foreclosure Prevention Program approved on October 23, 2007, with technical revisions approved on November 3, 2008, for the current three year LHAP that covers State Fiscal Year 2007 – 2009.

Proposed Amendment (strike through and underline version of PY 2004-2006 attached):

#### **Foreclosure Prevention Assistance Program:**

##### a. **Summary of the Strategy:**

This strategy is used to provide homeowners who have previously received City of Deltona SHIP or HHR assistance the opportunity to avoid foreclosure and retain their homes. This is a one-time assistance per household strategy.

##### b. **Fiscal Years Covered:**

2007/2008; 2008/2009; 2009/2010

c. **Income Categories to be served:**

Household incomes at or below 120% of the area median income, adjusted for household size. For the purposes of the SHIP Program Very Low, Low and Moderate Income Households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by the U.S. Department of Housing and Urban Development (HUD) and distributed by Florida Housing Finance Corporation (FHFC). Preference will be given to applicants below 50%.

d. **Maximum award is noted on the Housing Delivery Goals Charts:**

Maximum award is as follows:

Income Limit	
Very Low	\$7,500
Low	\$7,500
Moderate	\$7,500

e. **Terms, Recapture and Default:**

SHIP funds provided for this activity will be in the form of a grant with no recapture provision. Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a grant agreement for the value of the award received.

f. **Recipient Selection Criteria:**

- Funds will be made available on a first come, first complete, first served basis while funds are available;
- Priority funding will be given to very low income (50% AMI and below) and SHIP 2<sup>nd</sup> and 3<sup>rd</sup> SHIP mortgage recipients.
- All units assisted will be within the Deltona city limits;
- Mobile Homes are not eligible for assistance;
- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested of income, eligibility and qualifications; and
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines, City of Deltona requirements, recapture provisions and certify that the unit assisted is their principal residence.

g. **Sponsor Selection Criteria, if applicable:**

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation or a community based organization. Selection will be based on the sponsor's ability to proceed, past experience in related fields, and performance.

h. **Additional Information:**

- All assisted units must have previously received SHIP or HHR homeownership assistance: purchase, rehabilitation, or disaster assistance through the City of Deltona's SHIP or HHR program.
- Applicants must be at least 2 months in mortgage payments arrears and have received notification in writing from their lender that foreclosure proceedings will begin;
- Applicants who apply for assistance and who need more than the foreclosure assistance that is offered in this strategy must have the additional funds to pay all the remaining unpaid delinquency;
- Applicants must be credit worthy and have sufficient income required to maintain their SHIP Mortgage after foreclosure assistance is received;
- Applicants may receive the foreclosure strategy one time only; and
- Applicants must demonstrate through documentary evidence that non-payment of their mortgage is due to one of the following reasons:
  - Sudden Loss of Income;
  - Sudden Medical Expenses;
  - Divorce or Separation;
  - Death in Family; and
  - Unforeseen home repair bills.

**COST:** \$0.00

**SOURCE OF FUNDS:** State Housing Initiative Partnership Program Funding

**ORIGINATING DEPARTMENT:** Planning and Development Services/ Community Development

**REVIEWED BY:** Chris Bowley, Director of Planning and Development Services

**STAFF RECOMMENDATION PRESENTED BY:** Lori Serino, Community Development Manager - Request Approval for an Amendment to the 2004-2006 Local Housing Assistance Plan and submission to Florida Housing Finance Corporation.

**POTENTIAL MOTION:** "I move to approve the amendment to State Fiscal Year 2004-2006 Local Housing Assistance Plan and authorize submission to the Florida Housing Finance Corporation, as required by State Law."

**AGENDA ITEM APPROVED BY:**   
Faith G. Miller, City Manager

- Attachments:**
- 2004-2006 LHAP (strike through and underline version)

**CITY OF DELTONA, FLORIDA**

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**STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM  
LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**FISCAL YEARS COVERED**

**2004/2005, 2005/2006 AND 2006/2007**

Technical Revisions

Effective Date: June 15, 2005

Technical Revisions

Effective Date: July 18, 2005

Technical Revisions

Effective Date: June 4, 2007

Amendment

Effective Date

City Commission January 20, 2009

Florida Housing Finance Corporation \_\_\_\_\_, 2009

City of Deltona  
Planning and Development Services/ Community Development  
2345 Providence Boulevard  
Deltona, FL 32725

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I

**I. PROGRAM DESCRIPTION** 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 Deltona, Florida

Interlocal : Yes \_\_\_\_\_ No  X

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

The mission of Deltona's Affordable Housing Assistance Program is to develop and improve housing opportunities in the City of Deltona by reducing the cost of housing for eligible households, increasing the number of homeowners, and improving the City's existing housing stock.

Creation of the Plan is for the purpose of meeting the City's 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 local government comprehensive plan specific to affordable housing.

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

X  2004/2005  
 X  2005/2006  
 X  2006/2007

**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 67-37.007 Florida Administrative Code. The City of Deltona's Affordable Housing Assistance Program was enacted by the passage of Ordinance 08-2001 on May 7, 2001 and signed into law on May 7, 2001. The SHIP Program does further the housing element of the City's Comprehensive Plan.

**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 and community groups.

The City will continue to work with area lenders, housing builders and developers, real estate professionals, advocates for low-income persons, community-based housing and services agencies, and neighborhood associations to provide affordable housing opportunities to eligible households.

- F. Leveraging:** *Chapter 67-37.007(1)(b)(c), F.A.C. and Section 420.9075(1)(a) and (1)(b3, and (1)(c), F.S.*  
The Plans are 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.

When SHIP funds are combined with Florida Housing Finance Corporation Programs for purchase assistance, the City's Housing and Community Development Manager has the option of offering the City's SHIP funds as a 2<sup>nd</sup> or 3<sup>rd</sup> mortgage, zero-interest (0%) deferred loan for a term of up to 30 years.

Local SHIP funds will be leveraged with funds from the Community Development Block Grant (CDBG) Program, the U.S.D.A Rural Development Section 502 Program, the Federal Home Loan Bank, the FloridaFix Program, the Weatherization Assistance Program, the Solar Weatherization Assistance Program, the Hazard Mitigation Grant Program, FEMA, and other existing federal, state or locally funded programs designed to assist with affordable housing efforts as well as private funds.

- G. Public Input:** *Chapter 67-37.005(3), F.A.C.*  
Public input was solicited through face to face meetings with local lenders, housing providers, social service providers, and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

- H. Advertising and Outreach** *Chapter 67-37.005(6)(a), F.A.C.*  
The City of Deltona shall advertise the notice of funding availability 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.

In addition, public meetings or forums will be held with local civic and church groups. Displays and brochures will be placed at public meeting places and facilities. The City will further promote program services to local lenders, housing providers and potential applicants through flyers and brochures, which describe available services and contact information.

**I. 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.

**J. 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),
- Home Maintenance Classes, and
- Credit Counseling

The City of Deltona will also continue to coordinate with a number of entities that provide support services to those in need of affordable housing or other social services.

**K. 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 but may not 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used by City of Deltona is:

- Bond Study Numbers provided by Florida Housing Finance Corporation
- Independent Study (copy attached)
- U.S. Treasury Department
- Local HFA Numbers

The purchase price limit for:

New & Existing Homes:      \$189,683

The actual purchase price limits will be dependent upon the buyer's income and the long-term debt ratios described in Section I.L.

**L. Income Limits, Rent Limits and Affordability:**

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

The Income Limits used in the SHIP Program are based upon annual projected household income, adjusted for family size, and updated annually by the U.S. Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation.

Very-low is defined as total household income that does not exceed 50% of the area median income, low-income is defined as total household income above 50% of the area median income but not more than 80% of the area median income, and moderate income is defined as total household income above 80% of the area median income but not more than 120% of the area median income.

Affordable means that monthly mortgage payments including principal, interest, taxes, and insurance do not exceed 30% 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. Also, total long-term debt shall not exceed 41% of the annual gross income for the households. However it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing and 41% for long-term debt.

Housing for which a household devotes more than 30% of its income or long-term debt for which a household devotes more than 41% 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 or long-term debt in excess of the 41% benchmark. Such mortgage payments or long-term debt in excess of the benchmarks will be considered on a case-by-case basis at the City's Housing Program discretion.

**M. Wages to Work:** *Chapter 67-37.005(6)(b)(7)F.A.C.*

Should a 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 employed personnel from the WAGES and Workforce Development Initiatives programs will be given preference in the selection process.

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

Not Applicable.

**O. 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 Deltona finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the Local Housing Assistance Plan. The cost of administering the plan may not exceed 5 percent of the local housing distribution moneys and program income deposited into the trust fund. 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. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), 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 Deltona has adopted the above findings in the attached resolution, Exhibit E.

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

**A. Purchase Assistance Program:**

a. Summary of the Strategy:

The Purchase Assistance Program assists first-time homebuyers by providing funds for the downpayment and closing costs normally associated with the purchase of an existing home that requires minor repairs and/or aesthetic enhancements.

b. Fiscal Years Covered:

State Fiscal Years covered include 2004/2005, 2005/2006 and 2006/2007. The time period includes July 1, 2004 through June 30, 2007.

c. Income Categories to be served:

This strategy will assist household incomes at or below 120% of the area median income, adjusted for household size. Preference shall be given first to applicants below 50% of the area median household income.

The income limits for the SHIP Program are published by HUD and distributed by the Florida Housing Finance Corporation and will be adjusted annually upon receipt of the new limits without further approval by the City or state.

d. Maximum award as noted on the Housing Delivery Goals Charts:

Maximum award will be as follows:

<b>INCOME LEVEL</b>	<b>INCENTIVE AREAS *</b>	<b>CITY – OTHER AREAS</b>
Very-Low	\$40,000	\$37,500
Low	\$34,500	\$32,500
Moderate **	\$ 7,000	\$ 5,000

\* HUD designated CDBG Census Tracts and Block Groups as per map on page 38.

All minor repairs or enhancements must be performed as part of the purchase transaction (funds from the seller, buyer or SHIP put into an escrow account to pay contractors) or may be work that has been performed within the last twelve (12) months by the seller prior to closing and is documented via paid receipts and cancelled checks prior to the closing.

e. Terms, Recapture and Default

Purchase assistance will be provided in the form of a 2<sup>nd</sup> mortgage low interest (0% for Very Low Income, 1% for Low Income and 2% for Moderate Income) payback loan for a term of up to 30 years, with the option of a five-year deferment, if needed. The term of the payback loan is variable depending on the ability to pay when combined with all other debt. Before the closing, the term of the loan and the amount of the monthly payments will be determined.

When SHIP funds are combined with Florida Housing Finance Corporation Programs for purchase assistance, the City's Housing and Community Development Manager has the option of offering the City's SHIP funds as a 2<sup>nd</sup> or 3<sup>rd</sup> mortgage, zero-interest (0%) deferred loan for a term of up to 30 years.

In cases of hardship (total debt to income ratio exceeds 45%) or on a case-by-case, the City's Housing and Community Development Manager has the option of offering the 2<sup>nd</sup> mortgage for purchase assistance in the form of a zero-interest (0%) deferred loan for a term of 30 years.

Applicants who are on fixed incomes (SS, SSI, SSDI, disability, or pension) may receive a 2<sup>nd</sup> mortgage, zero-interest, deferred payment, forgivable loan for a term of ten (10) years. On each of the first ten (10) anniversaries of the date of conveyance of title, ten percent (10%) of the amount owed will automatically be forgiven and will not have to be repaid.

The deferred loans and the remaining balance of payable or forgivable loans shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if a married couple, the survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of Courts for Volusia County.

If conditions are found during the repair of the house that were not determined during the inspection, then additional funds may be provided as a direct grant to complete the necessary repairs subject to the maximum award indicated above not being exceeded. However, the City may also leverage with other strategies with the LHAP or with other state and/or federal programs as needed to meet the requirements of the additional cost.

Excess SHIP funds awarded may be used for pay down on the interest rate, pre-payment penalty, and principal on the note of the 1st mortgage.

f. Applicant Selection Criteria:

Applicant selection criteria for awarding SHIP funds to eligible households shall be “first come, first qualified, first served” basis. Compliance with the LHAP and statutory requirements pertinent to the percentage of households served by income will also be considered. The selection criteria include the following;

- The applicant must be a first-time homeowner, defined as persons or households that have not owned a home either jointly or individually, other than a mobile home or a manufactured (HUD-certified) home during the three-year period immediately prior to purchase with SHIP funds, except that the following persons or households shall not be excluded from consideration as a first-time homeowner:
  - Single parent, as defined by HUD
  - Displaced homemaker, as defined by HUD
  - A very-low or low-income individual or household living in a substandard dwelling that cannot be brought into compliance with local building and housing codes for less than the cost of constructing a permanent structure. However, the appraised fair market value prior to sale, proceeds to the applicant from the sale (if under contract at the time of the SHIP closing) or the discounted net present worth of net rental income or the City’s estimated net rental income for the next 12 months (if under contract at the time of the SHIP closing) of a mobile home or manufactured home will be included in the asset portion of determining eligibility.
- The applicant must be a U.S. Citizen or permanent Resident Alien (possessing a “Resident Alien Card”)
- Very low income, low income, and moderate income households shall contribute a minimum of \$500, \$1,000 or \$1,500, respectively toward the purchase of the home. This may include “out of closing” expenses, provided that documentation of payment is received prior to the closing.
- At least one (1) member of the household is required to attend a pre-award Homebuyer Education Seminar as well as a post-closing Home Maintenance Class with the City’s designated consultant (sponsor).

g. Sponsor Selection Criteria:

The City's Housing Program will contract with local qualified non-profit agencies and/or for-profit entities in conjunction with the City's Procurement Policy as adopted on October 1, 1999 to provide the following services:

- homebuyer education classes;
- homebuyer counseling;
- credit counseling;
- credit reporting;
- home inspections;
- appraisals; and
- Construction-related contractors (general, roofing, septic, electrical, plumbing, etc).

h. Additional Information:

i. Property Criteria:

Must be located in the City of Deltona;

Must be vacant, owner-occupied, or currently rented by the applicant at the time of sale;

The applicant must have an accepted executed sales contract in their name to purchase the home;

The purchase price may not exceed the maximum sales price allowed in the SHIP program, as specified in section VI.A.3;

Any necessary repairs may not begin until after the closing;

The purchase price may not exceed the appraised value.

Single-family homes are only eligible. The unit may be attached or detached permitting fee simple ownership or may be a condominium. Homes not built to Florida Building Codes and Standards, manufactured homes not approved by the Florida Department of Community Affairs and U.S. Department of Housing and Urban Development approved manufactured homes (mobile homes) are excluded.

Homes located in a Flood Hazard Zone must be insured with a Flood Insurance Policy, which must be maintained in force throughout the life of the SHIP mortgage.

Repairs to condominiums or townhouses shall exclude common areas, exterior structures that are the responsibility of the condominium or homeowners association, or areas where repairs would also involve work on a dwelling unit that is not being purchased by the applicant.

Existing homes must be at least 12 months (1 year) old. The home may be vacant, owner-occupied, or currently rented by the applicant at the time of sale. The home must meet all codes ensuring safe and decent housing and only be in need of minor repairs, weatherization, energy efficiency, and/or aesthetic enhancements.

A HQS home inspection may be conducted either by the applicant's certified housing inspector on the required HQS Inspection Form or the City Housing Program's designated HQS inspector.

The seller must have clear title (ownership) to the property to be purchased and must not be delinquent on any real property tax owed to Volusia County.

ii. Lender Guidelines:

a) Lender Participation Criteria:

- 1) "Institutional First Mortgage Lender" is defined as any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, or other financial institution or governmental agency authorized to conduct business in Florida and which customarily provides service or otherwise aids in the financing of mortgages on real property located in Florida.
- 2) First Mortgages shall be at a fixed rate. *The rate may not exceed 2% above the current 60-day FNMA par pricing, or at a higher rate, on a case-by-case when it is deemed affordable by the first mortgage lender and the City's Housing & Community Development Manager.*
- 3) The term of the loan shall be 30 year fixed.
- 4) No Cash Back to the Borrower on the HUD-1 Settlement Statement
- 5) Loan origination and Broker fees may not exceed 2%

- 6) No pre-payment penalties to the borrowers.
- 7) An appraisal to establish the after-rehab value of the property will be conducted by the lender's designated appraisal company. In the absence of an appraisal of after-rehab value from the primary lender, the City may conduct its own appraisal. The City may also verify the primary lender's appraisal.

**B. Purchase Rehabilitation Assistance Program:**

a. Summary of the Strategy:

The Purchase Rehabilitation Assistance Program assists first-time homebuyers by providing funds for the downpayment and closing costs normally associated with the purchase of an existing home that requires major repairs, including, but not limited to, new roof, new electrical system, new HVAC system, and/or new septic drainfield. Rehabilitation shall be defined as repairs or improvements that are needed for safe and sanitary habilitation and the elimination of all code deficiencies. Houses that cannot be rehabilitated due to the extent of deterioration may have the option of being assisted with additional funds for the replacement of the dwelling with a new dwelling unit. Creation of additional living space to meet local zoning codes is also available.

b. Fiscal Years Covered:

State Fiscal Years covered include 2004/2005, 2005/2006 and 2006/2007. The time period includes July 1, 2004 through June 30, 2007.

c. Income Categories to be served:

This strategy will assist household incomes at or below 120% of the area median income, adjusted for household size. Preference shall be given first to applicants below 50% of the area median household income.

The income limits for the SHIP Program are published by HUD and distributed by the Florida Housing Finance Corporation and will be adjusted annually upon receipt of the new limits without further approval by the City or state.

d. Maximum award is noted on the Housing Delivery Goals Charts:

Maximum award will be as follows:

INCOME LEVEL	INCENTIVE AREAS *	CITY – OTHER AREAS
Very-Low	\$50,000	\$47,500
Low	\$44,500	\$42,500
Moderate	\$20,000	\$18,000

\* HUD designated CDBG Census Tracts and Block Groups as per map on page 38.

All major repairs must be performed as part of the purchase transaction (SHIP funds put into an escrow account to pay contractors).

If it is determined that the cost of rehabilitation of the house would be cost prohibitive and it would be less expensive to demolish and rebuild the house, SHIP funds may be used toward the cost of demolition and preparation of the site for construction in addition to the downpayment/closing costs. The preliminary

expenses incurred under the SHIP program will be in the form of a grant or deferred paid loan. In this particular situation, the City may leverage with other strategies within the LHAP or with other state and/or federal programs as needed to meet the requirements of the additional cost.

e. Terms, Recapture and Default:

Assistance for this strategy will be provided in the form of a 2<sup>nd</sup> mortgage low interest (0%) for Very Low Income, 1% for Low Income and 2% for Moderate Income) payback loan for a term of up to 30 years, with the option of a five-year deferment, if needed. The term of the payback loan is variable depending on the ability to pay when combined with all other debt. Before the closing, the term of the loan and the amount of the monthly payments will be determined.

When SHIP funds are combined with Florida Housing Finance Corporation Programs for purchase assistance, the City's Housing and Community Development Manager has the option of offering the City's SHIP funds as a 2<sup>nd</sup> or 3<sup>rd</sup> mortgage, zero-interest (0%) deferred loan for a term of up to 30 years.

In cases of hardship (total debt to income ratio exceeds 45%) or on a case-by-case, the City's Housing and Community Development Manager has the option of offering the 2<sup>nd</sup> mortgage for purchase assistance in the form of a zero-interest (0%) deferred loan for a term of 30 years.

Applicants who are on fixed incomes (SS, SSI, SSDI, disability, or pension) may receive a 2<sup>nd</sup> mortgage, zero-interest, deferred payment, forgivable loan for a term of ten (10) years. On each of the first ten (10) anniversaries of the date of conveyance of title, ten percent (10%) of the amount owed will automatically be forgiven and will not have to be repaid.

The deferred loans and the remaining balance of payable or forgivable loans shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if a married couple, the survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will

promptly be recorded in the public records of the Clerk of Courts for Volusia County.

If conditions are found during the rehabilitation of the house that were not determined during the inspection, then additional funds may be provided as a direct grant to complete the necessary repairs subject to the maximum award indicated above not being exceeded. However, the City may also leverage with other strategies within the LHAP or with other state and/or federal programs as needed to meet the requirements of the additional cost.

Excess SHIP funds awarded may be used for pay down on the interest rate, pre-payment penalty, and principal on the note of the 1st mortgage.

f. Applicant Selection Criteria:

Applicant selection criteria for awarding SHIP funds to eligible households shall be “first come, first qualified, first served” basis. Compliance with the LHAP and statutory requirements pertinent to the percentage of households served by income will also be considered. The selection criterion includes the following;

- The applicant must be a first-time homeowner, defined as persons or households that have not owned a home either jointly or individually, other than a mobile home or a manufactured (HUD-certified) home during the three-year period immediately prior to purchase with SHIP funds, except that the following persons or households shall not be excluded from consideration as a first-time homeowner:
  - Single parent, as defined by HUD
  - Displaced homemaker, as defined by HUD
  - A very-low or low-income individual or household living in a substandard dwelling that cannot be brought into compliance with local building and housing codes for less than the cost of constructing a permanent structure.

However, the appraised fair market value prior to sale, proceeds to the applicant from the sale (if under contract at the time of the SHIP closing) or the discounted net present worth of net rental income or the City’s estimated net rental income for the next 12 months (if under contract at the time of the SHIP closing) of a mobile home or manufactured home will be included in the asset portion of determining eligibility.

- The applicant must be a U.S. Citizen or permanent Resident Alien (possessing a “Resident Alien Card”)
- Very low income, low income, and moderate income households shall contribute a minimum of \$500, \$1,000 or \$1,500, respectively toward the purchase of the home. This may include “out of closing” expenses, provided that documentation of payment is received prior to the closing.

- At least one (1) member of the household is required to attend a pre-award Homebuyer Education Seminar as well as a post-closing Home Maintenance Class with the City's designated consultant (sponsor).

g. Sponsor Selection Criteria:

The City's Housing Program will contract with local qualified non-profit agencies and/or for-profit entities in conjunction with the City's Procurement Policy as adopted on October 1, 1999 to provide the following services:

- homebuyer education classes;
- homebuyer counseling;
- credit counseling;
- credit reporting;
- home inspections;
- appraisals
- Construction-related contractors (general, roofing, septic, electrical, plumbing, etc).

h. Additional Information:

i. Property Criteria:

Must be located in the City of Deltona;

Must be vacant, owner-occupied, or currently rented by the applicant at the time of sale;

The applicant must have an accepted executed sales contract in their name to purchase the home;

The purchase price may not exceed the maximum sales price allowed in the SHIP program, as specified in section VI.A.3;

Any necessary repairs may not begin until after the closing;

The purchase price may not exceed the appraised value.

Single family homes are only eligible. The unit may be attached or detached permitting fee simple ownership and may be a condominium. Homes not built to Florida Building Codes and Standards, manufactured homes not approved by the Florida Department of Community Affairs and U.S. Department of Housing and Urban Development approved manufactured homes (mobile homes) are excluded. Homes located in a Flood Hazard Zone must be insured with a Flood Insurance Policy which must be maintained in force throughout the life of the SHIP mortgage.

Repairs to condominiums or townhouses shall exclude common areas, exterior structures that are the responsibility of the condominium or

homeowners association, or areas where repairs would also involve work on a dwelling unit that is not being purchased by the applicant.

Existing homes must be at least 12 months (1 year) old and in need of rehabilitation. Rehabilitation shall be defined as repairs or improvements that are needed for safe and sanitary habitation, elimination of all code deficiencies, and/or creation of additional living space to meet local zoning codes. After rehabilitation, the home must not be in violation of any housing codes.

A HQS home inspection may be conducted either by the applicant's certified housing inspector on the required HQS Inspection Form or the City Housing Program's designated HQS inspector.

The seller must have clear title (ownership) to the property to be purchased and must not be delinquent on any real property tax owed to Volusia County.

ii. Lender Guidelines:

b) Lender Participation Criteria:

1. "Institutional First Mortgage Lender" is defined as any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, or other financial institution or governmental agency authorized to conduct business in Florida and which customarily provides service or otherwise aids in the financing of mortgages on real property located in Florida.
2. First Mortgages shall be at a fixed rate. The rate may not exceed 2% above the current 60-day FNMA par pricing, or at a higher rate, on a case-by-case when it is deemed affordable by the first mortgage lender and the City's Housing & Community Development Manager.
3. The term of the loan shall be 30 year fixed.
4. No Cash Back to the Borrower on the HUD-1 Settlement Statement
5. Loan Origination Fee and Broker fees may not exceed 2%.

6. No pre-payment penalties to the borrowers.
7. An appraisal to establish the after-rehab value of the property will be conducted by the primary lender's designated appraisal company. In the absence of an appraisal of after-rehab value from the primary lender, the City may conduct its own appraisal. The City may also verify the primary lender's appraisal.

**C. Affordable Housing Partnership Program:**

a. Summary of the Strategy:

The Affordable Housing Partnership Program provides closing cost assistance, and buy-down on the purchase of vacant lots for properties purchased in conjunction with the U.S.D.A. Rural Development Section 502 Direct Loan Program.

b. Fiscal Years Covered:

State Fiscal Years covered include 2004/2005, 2005/2006 and 2006/2007. The time period includes July 1, 2004 through June 30, 2007.

c. Income Categories to be served:

This strategy will assist household incomes at or below 80% of the area median income, adjusted for household size. Preference shall be given first to applicants below 50% of the area median household income.

The income limits for the SHIP Program are published by HUD and distributed by the Florida Housing Finance Corporation and will be adjusted annually upon receipt of the new limits without further approval by the City or state.

d. Maximum award is noted on the Housing Delivery Goals Charts:

<b>INCOME LEVEL</b>	<b>TOTAL MAXIMUM AWARD</b>
Very-Low	\$20,000
Low	\$20,000

e. Terms, Recapture and Default:

Purchase assistance will be provided in the form of a 2<sup>nd</sup> mortgage low interest (0% for Very Low Income, 1% for Low Income and 2% for Moderate Income) payback loan for a term of up to 30 years, with the option of a five-year deferment, if needed. The term of the payback loan is variable depending on the ability to pay when combined with all other debt. Before the closing, the term of the loan and the amount of the monthly payments will be determined.

When SHIP funds are combined with Florida Housing Finance Corporation Programs for purchase assistance, the City's Housing and Community Development Manager has the option of offering the City's SHIP funds as a 2<sup>nd</sup> or 3<sup>rd</sup> mortgage, zero-interest (0%) deferred loan for a term of up to 30 years.

In cases of hardship (total debt to income ratio exceeds 45%) or on a case-by-case, the City's Housing and Community Development Manager has the option of offering the 2<sup>nd</sup> mortgage for purchase assistance in the form of a zero-interest (0%) deferred loan for a term of 30 years.

Applicants who are on fixed incomes (SS, SSI, SSDI, disability, or pension) may receive a 2<sup>nd</sup> mortgage, zero-interest, deferred payment, forgivable loan for a term of ten (10) years. On each of the first ten (10) anniversaries of the date of conveyance of title, ten percent (10%) of the amount owed will automatically be forgiven and will not have to be repaid.

The deferred loans and the remaining balance of payable or forgivable loans shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if a married couple, the survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a mortgage and a promissory note for the value of the award received. The mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of Courts for Volusia County.

f. Applicant Selection Criteria:

Applicant selection criteria for awarding SHIP funds to eligible households shall be "first come, first qualified, first served" basis. Compliance with the LHAP and statutory requirements pertinent to the percentage of households served by income will also be considered. The selection criteria include the following;

- The applicant must be a first-time homeowner, defined as persons or households that have not owned a home either jointly or individually, other than a mobile home or a manufactured (HUD-certified) home during the three-year period immediately prior to purchase with SHIP funds, except that the following persons or households shall not be excluded from consideration as a first-time homeowner:
  - Single parent, as defined by HUD
  - Displaced homemaker, as defined by HUD

- A very-low or low-income individual or household living in a substandard dwelling that cannot be brought into compliance with local building and housing codes for less than the cost of constructing a permanent structure.

However, the appraised fair market value prior to sale, proceeds to the applicant from the sale (if under contract at the time of the SHIP closing) or the discounted net present worth of net rental income or the City’s estimated net rental income for the next 12 months (if under contract at the time of the SHIP closing) of a mobile home or manufactured home will be included in the asset portion of determining eligibility.

- The applicant must be a U.S. Citizen or permanent Resident Alien (possessing a “Resident Alien Card”)
- The applicant must be qualified for a first mortgage through the U.S.D.A. Rural Development Section 502 Direct Loan Program, as evidenced by an executed Commitment Letter in the name of the applicant.
- Very low income and low income households shall contribute a minimum of \$500 or \$1,000, respectively toward the purchase of the home. This may include “out of closing” expenses, provided that documentation of payment is received prior to the closing.
- At least one (1) member of the household is required to attend a pre-award Homebuyer Education Seminar as well as a post-closing Home Maintenance Class with the City’s designated consultant (sponsor).

g. Sponsor Selection Criteria:

The City’s Housing Program will contract with local qualified non-profit agencies and/or for-profit entities in conjunction with the City’s Procurement Policy as adopted on October 1, 1999 to provide the following services:

- homebuyer education classes;
- homebuyer counseling;
- credit counseling;
- credit reporting;
- home inspections;
- appraisals; and
- Construction-related contractors (general, roofing, septic, electrical, plumbing, etc).

h. Additional Information:

i. Property Criteria:

The property must be located in the U.S.D.A. Rural Development area within the City of Deltona.

The land must be vacant or the home to be purchased must be vacant, owner-occupied, or currently rented by the applicant at the time of sale;

The applicant must have an accepted executed sales contract in their name to purchase the home;

The purchase price may not exceed the maximum sales price allowed in the SHIP program, as specified in section VI.A.3;

The purchase price may not exceed the appraised value.

Single-family homes are only eligible. The unit may be attached or detached permitting fee simple ownership or may be a condominium. Homes not built to Florida Building Codes and Standards, manufactured homes not approved by the Florida Department of Community Affairs and U.S. Department of Housing and Urban Development approved manufactured homes (mobile homes) are excluded. Homes located in a Flood Hazard Zone must be insured with a Flood Insurance Policy which must be maintained in force throughout the life of the SHIP mortgage.

Newly constructed homes are to be completed within twelve (12) months of approval and must meet state and local codes.

New homes (less than 12 months old and have never been occupied) and existing homes must meet Section 8 Housing Quality Standards (HQS) as established by H.U.D.

A HQS home inspection may be conducted either by the applicant's certified housing inspector on the required HQS Inspection Form or the City Housing Program's designated HQS inspector.

The seller must have clear title (ownership) to the property to be purchased and must not be delinquent on any real property tax owed to Volusia County.

ii. Lender Guidelines:

a) Lender Participation Criteria:

- 1) First Mortgages shall be at a fixed rate per the guidelines for the Rural Development Section 502 Program.
- 2) The term of the loan shall be 30 year fixed.

- 3) First Mortgages shall be USDA Rural Development Section 502 direct loans.
- 4) No Cash Back to the Borrower on the HUD-1 Settlement Statement.
- 5) No pre-payment penalties to borrowers.
- 6) The purchase price may not exceed the appraised value.
- 7) An appraisal to establish the after-rehab value of the property will be conducted by the lender's designated appraisal company. In the absence of an appraisal of after-rehab value from the primary lender, the City may conduct its own appraisal. The City may also verify the primary lender's appraisal.
- 8) Loan origination and Broker fees may not exceed 2%.

**D. Owner-Occupied Rehabilitation Assistance Program:**

a. Summary of the Strategy:

The Repair Assistance Program provides funding for repairs of eligible owner-occupied homes to correct code deficiencies and/or health and safety issues that pose an immediate threat to the safety of the residents of the home. The program will focus on worst-case needs, very low income households, seniors and housing retrofit for the disabled. Houses that cannot be rehabilitated due to the extent of deterioration (more than 50% of the appraised value of the home) may have the option of being assisted with additional funds for the replacement of the dwelling with a new dwelling unit.

b. Fiscal Years Covered:

State Fiscal Years covered include 2004/2005, 2005/2006 and 2006/2007. The time period includes July 1, 2004 through June 30, 2007.

c. Income Categories to be served:

This strategy will assist household incomes at or below 80% of the area median income, adjusted for household size. Preference shall be given first to applicants below 50% of the area median household income.

The income limits for the SHIP Program are published by HUD and distributed by the Florida Housing Finance Corporation and will be adjusted annually upon receipt of the new limits without further approval by the City or state.

d. Maximum award is noted on the Housing Delivery Goals Charts:

Maximum award will be as follows:

Very Low Income	\$47,500	Low Income	\$42,500
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Eligible costs may include credit reports, title searches, after-rehab value appraisals, inspection fees, repairs, weatherization, and energy efficiency enhancements.

e. Terms, Recapture and Default:

Owner-Occupied Rehabilitation will be provided in the form of a 2<sup>nd</sup> mortgage low interest (0% for Very Low Income, 1% for Low Income payback loan for a term of up to 30 years, with the option of a five year deferment, if needed. The term of the payback loan is variable depending on the ability to pay when

combined with all other debt. Before the closing, the term of the loan and the amount of the monthly payments will be determined.

In cases of hardship (total debt to income ratio exceeds 45%) or on a case-by-case, the City's Housing and Community Development Manager has the option of offering the 2<sup>nd</sup> mortgage for rehabilitation assistance in the form of a zero-interest (0%) deferred loan for a term of 30 years.

Applicants who are on fixed incomes (SS, SSI, SSDI, disability, or pension) may receive a 2<sup>nd</sup> mortgage, zero-interest, deferred payment, forgivable loan for a term of ten (10) years. On each of the first ten (10) anniversaries of the date of conveyance of title, ten percent (10%) of the amount owed will automatically be forgiven and will not have to be repaid.

The deferred loans and the remaining balance of payable or forgivable loans shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if a married couple, the survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a 2<sup>nd</sup> mortgage and a promissory note for the value of the award received. The 2<sup>nd</sup> mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of Courts for Volusia County.

If conditions are found during the rehabilitation of the house that were not determined during the inspection, then additional funds may be provided as a direct grant to complete the necessary repairs subject to the maximum award indicated above not being exceeded. However, the City may also leverage with other strategies within the LHAP or with other state and/or federal programs as needed to meet the requirements of the additional cost. If the SHIP funds awarded for the rehabilitation portion of the project are less than estimated, then the excess funds may be used for pay down on the principal on the note of the SHIP 2<sup>nd</sup> mortgage.

f. Applicant Selection Criteria:

Applicant selection criteria for awarding SHIP funds to eligible households shall be “first come, first qualified, first served” basis. Compliance with the LHAP and statutory requirements pertinent to the percentage of households served by income will also be considered. The selection criteria include the following;

- The home to be repaired must be located in the City of Deltona
- The applicant(s) must have clear title (ownership) to the property to be repaired, which means:
  - No mortgage other than a first fee simple mortgage (no seller financed loans or assumable mortgages; or
  - No liens, judgments, or pending foreclosures against the property;
- The applicant must not be presently in bankruptcy;
- The applicant must not be delinquent on any real property tax owed to Volusia County;
- The applicant(s) must be the owner and reside in the home year round;
- The applicant must be a U.S. Citizen or permanent Resident Alien (possessing a “Resident Alien Card”);
- The applicant must have a current homeowner’s insurance policy.
- At least one (1) member of the household is required to attend a pre-award Home Maintenance Class provided by the City Housing Program’s designated consultant.

g. Sponsor Selection Criteria:

The City’s Housing Program will contract with local qualified non-profit agencies and/or for-profit entities in conjunction with the City’s Procurement Policy as adopted on October 1, 1999 to provide the following services:

- credit reporting;
- home inspections;
- appraisals; and
- Construction-related contractors (general, roofing, septic, electrical, plumbing, etc).

h. Additional Information:

i. Property Criteria:

Single-family homes are only eligible. The unit may be attached or detached permitting fee simple ownership or may be a condominium. Homes not built to Florida Building Codes and Standards, manufactured homes not approved by the Florida Department of Community Affairs and U.S. Department of Housing and Urban Development approved manufactured homes (mobile homes) are excluded. Homes located in a Flood Hazard Zone must be insured with a Flood Insurance Policy, which must be maintained in force throughout the life of the SHIP mortgage.

Rehabilitation shall be defined as repairs or improvements that are needed for safe and sanitary habitation, elimination of all code deficiencies, and/or creation of additional living space to meet local zoning codes. After rehabilitation, the home must not be in violation of any housing codes.

A HQS home inspection will be conducted either by the applicant's certified housing inspector on the required HQS Inspection Form or the City Housing Program's designated HQS inspector.

**E. Disaster Mitigation / Recovery Contingency:**

a. Summary of the Strategy:

In the event of a Federal, State or local declared natural disaster affecting all or part of the City of Deltona, the City Commission reserves the right to utilize unencumbered SHIP funds to support this contingency strategy. SHIP disaster mitigation / recovery funds may be used to provide assistance to eligible persons occupying eligible housing. Funds will be leveraged, when feasible, with the homeowner's Flood Insurance policy, FEMA Hazard Mitigation Grant Program and/or other federal or state disaster funds. SHIP disaster awards must be directly related to assisting disaster victims.

b. Fiscal Years Covered:

State Fiscal Years covered include 2004/2005, 2005/2006 and 2006/2007. The time period includes July 1, 2004 through June 30, 2007.

c. Income Categories to be served:

This strategy will assist household incomes at or below 120% of the area median income, adjusted for household size. Preference shall be given first to applicants below 50% of the area median household income and seniors (62 years and older) below 80% of the area median household income. Families with household incomes below 80% of the area median household income will be served before those above 80% of the area median household income.

The income limits for the SHIP Program are published by HUD and distributed by the Florida Housing Finance Corporation and will be adjusted annually upon receipt of the new limits without further approval by the City or state.

d. Maximum award is noted on the Housing Delivery Goals Charts:

Maximum award will be as follows:

<b>INCOME LEVEL</b>	<b>TOTAL MAXIMUM AWARD</b>
Very-Low	\$7,500
Low	\$7,500
Moderate	\$7,500

Eligible costs may include credit reports, title searches, after-rehab value appraisals, inspection fees, disaster related repairs. On a case-by-case basis, assistance with temporary housing will be considered.

e. Terms, Recapture and Default:

Assistance will be provided in the form of a 2<sup>nd</sup> mortgage, zero-interest (0%) deferred loan for a term of 10 years.

Applicants who are on fixed incomes (SS, SSI, SSDI, disability, or pension) may receive a zero-interest, deferred payment, forgivable loan for a term of ten (10) years. On each of the first ten (10) anniversaries of the date of conveyance of title, ten percent (10%) of the amount owed will automatically be forgiven and will not have to be repaid.

The deferred loans and the remaining balance of forgivable loans shall immediately become due and payable to the City if any of the following occurs:

- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if a married couple, the survivor dies; or
- Homeowner refinances their first mortgage for consolidation of debt or receives cash back as a result of the refinancing; Subordination will be allowed on a case-by-case basis if the refinancing is only to reduce the interest on the 1<sup>st</sup> mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a 2<sup>nd</sup> mortgage and a promissory note for the value of the award received. The 2<sup>nd</sup> mortgage encumbering the real property will promptly be recorded in the public records of the Clerk of Courts for Volusia County.

If conditions are found during the rehabilitation of the house that were not determined during the inspection, then additional funds may be provided as a direct grant to complete the necessary repairs subject to the maximum award indicated above not being exceeded. SHIP funds may be leveraged with Hazard Mitigation Grant Program funds, FEMA funds, and other state, federal, and private funds.

If the SHIP funds awarded for the rehabilitation portion of the project are less than estimated, then the excess funds may be used for pay down on the principal on the note of the SHIP 2<sup>nd</sup> mortgage.

f. Applicant Selection Criteria:

Applicant selection criteria for awarding SHIP funds to eligible households shall be “first come, first qualified, first served” basis. Compliance with the LHAP and statutory requirements pertinent to the percentage of households served by income will also be considered. The selection criteria include the following;

- The home to be repaired must be located in the City of Deltona;
- The applicant(s) must have clear title (ownership) to the property to be repaired, which means:
  - No mortgage other than a first fee simple mortgage (no seller financed loans or assumable mortgages; or
  - No liens, judgments, or pending foreclosures against the property;
- The applicant must not be presently in bankruptcy;
- The applicant must not be delinquent on any real property tax owed to Volusia County;
- The applicant(s) must be *owner and* reside in the home year round;
- The applicant must be a U.S. Citizen or permanent Resident Alien (possessing a “Resident Alien Card”);
- The applicant must have a current homeowner’s insurance policy.
- At least one (1) member of the household is required to attend a pre-award Home Maintenance Class provided by the City Housing Program’s designated consultant.

g. Sponsor Selection Criteria:

The City’s Housing Program will contract with local qualified non-profit agencies and/or for-profit entities in conjunction with the City’s Procurement Policy as adopted on October 1, 1999 to provide the following services:

- credit reporting;
- home inspections;
- appraisals; and
- Construction-related contractors (general, roofing, septic, electrical, plumbing, etc).

h. Additional Information:

i. Property Criteria:

Single family homes are only eligible. The unit may be attached or detached permitting fee simple ownership *or may be a condominium*. Homes not built to Florida Building Codes and Standards, manufactured homes not approved by the Florida Department of Community Affairs and U.S. Department of Housing and Urban Development approved manufactured homes (mobile homes) are excluded. Homes located in a Flood Hazard Zone must be insured with a Flood Insurance Policy which must be maintained in force throughout the life of the SHIP 2<sup>nd</sup> mortgage.

Assistance will be granted to existing homes in need of rehabilitation as a direct result of a declared disaster. Rehabilitation shall be defined as repairs or improvements that are needed for safe and sanitary habitation,

elimination of all code deficiencies, and/or creation of additional living space to meet local zoning codes. After rehabilitation, the home must not be in violation of any housing codes.

A HQS home inspection will be conducted by the City Housing Program's designated HQS inspector.

**F. Homebuyer Education and Counseling:**

a. Summary of the Strategy:

Homebuyer Education and Counseling is a service provided in conjunction with the City's Purchase Assistance strategies to assist households in learning about how to purchase a home, maintain the home after purchase and prevent future foreclosure. As part of the qualification process, all applicants will be required to attend a pre-award 6-hour Homebuyer Education Class and a post-award 3-hour Home Maintenance Class. Homebuyer Counseling, as needed with by provided for credit issues and other matters regarding on how to successfully purchase a home.

b. Fiscal Years Covered:

State Fiscal Years covered include 2004/2005, 2005/2006 and 2006/2007. The time period includes July 1, 2004 through June 30, 2007.

c. Income Categories to be served:

Income categories to be served under this strategy will be very low, low and moderate income households as defined in 420.9071, Florida Statutes, and further described in Section I.L., with preference to applicants in the very low income category. Priority will also be given to persons with special needs, as defined by Rule 67-37.002, Florida Administrative Code.

The income limits for the SHIP Program are published by HUD and distributed by the Florida Housing Finance Corporation and will be adjusted annually upon receipt of the new limits without further approval by the City or state.

d. Maximum award is noted on the Housing Delivery Goals Charts:

A minimum of \$2,500 has been set aside in each grant year for this activity to hire outside consultants (sponsors).

e. Terms, Recapture and Default:

Not Applicable / Free Service to the Applicants

f. Recipient Selection Criteria:

Recipient selection criteria for homebuyer education and counseling are dependent upon applying SHIP funds. Once an application is received, households are assisted during the income verification process. If the applicant is

not found to be credit-worthy, the applicant will be referred to a credit counseling agency for assistance prior to completing the income eligibility process.

All applicants must meet the Recipient Selection Criteria as further described under the various Purchase Assistance strategies.

g. Sponsor Selection Criteria:

The City's Housing Program will contract with local non-profit agencies qualified to provide homebuyer education classes, homebuyer counseling, and/or credit counseling in conjunction with the City's Procurement Policy as adopted on October 1, 1999. Selection Criteria will be based upon:

- The background and qualifications of the agency/individual in conducting the services requested;
- The ability to perform the services;
- The financial accountability standards of the agency/individual;
- The process by which the City can monitor the use of SHIP funds; Participation in the WAGES and Workforce Development programs;
- The soundness of the proposal and how well it meets the City's goals; and
- The cost per family assisted.

Points are attributed to each selection criteria in order to objectively judge each proposal or bid that is received. However, the most points will not guarantee award of a contract. The most responsible proposer or bidder will be selected.

**G. Foreclosure Prevention Assistance Program:**

**a. Summary of the Strategy:**

This strategy is used to provide homeowners who have previously received City of Deltona SHIP or HHR assistance the opportunity to avoid foreclosure and retain their homes. This is a one-time assistance per household strategy.

**b. Fiscal Years Covered:**

2007/2008; 2008/2009; 2009/2010

**c. Income Categories to be served:**

Household incomes at or below 120% of the area median income, adjusted for household size. For the purposes of the SHIP Program Very Low, Low and Moderate Income Households are defined in SHIP Statute Section 420.9071. The income limits are annually provided by the U.S. Department of Housing and Urban Development (HUD) and distributed by Florida Housing Finance Corporation (FHFC). Preference will be given to applicants below 50%.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Maximum award is as follows:

<u>Income Limit</u>	
<u>Very Low</u>	<u>\$7,500</u>
<u>Low</u>	<u>\$7,500</u>
<u>Moderate</u>	<u>\$7,500</u>

**e. Terms, Recapture and Default.**

SHIP funds provided for this activity will be in the form of a grant with no recapture provision. Recipients of SHIP awards will be required to contractually commit to program guidelines. The recipients will execute a grant agreement for the value of the award received.

**f. Recipient Selection Criteria:**

- Funds will be made available on a first come, first complete, first served basis while funds are available;

- Priority funding will be given to very low income (50% AMI and below) and SHIP 2<sup>nd</sup> and 3<sup>rd</sup> SHIP mortgage recipients.
- All units assisted will be within the Deltona city limits;
- Mobile Homes are not eligible for assistance;
- Applicants are required to submit a completed City of Deltona SHIP Application and provide all written documentation requested of income, eligibility and qualifications; and
- Persons who qualify for SHIP assistance must contractually agree to all SHIP Program guidelines, City of Deltona requirements, recapture provisions and certify that the unit assisted is their principal residence.

g. **Sponsor Selection Criteria, if applicable:**

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not for profit corporation or a community based organization. Selection will based on the sponsor's ability to proceed, past experience in related fields, and performance.

h. **Additional Information:**

- All assisted units must have previously received SHIP or HHR homeownership assistance: purchase, rehabilitation, or disaster assistance through the City of Deltona's SHIP or HHR program.
- Applicants must be at least 2 months in mortgage payments arrears and have received notification in writing from their lender that foreclosure proceedings will begin;
- Applicants who apply for assistance and who need more than the foreclosure assistance that is offered in this strategy must have the additional funds to pay all the remaining unpaid delinquency;
- Applicants must be credit worthy and have sufficient income required to maintain their SHIP Mortgage after foreclosure assistance is received;

- Applicants may receive the foreclosure strategy one time only; and
- Applicants must demonstrate through documentary evidence that non-payment of their mortgage is due to one of the following reasons:
  - Sudden Loss of Income;
  - Sudden Medical Expenses;
  - Divorce or Separation;
  - Death in Family; and
  - Unforeseen home repair bills.

**MAP OF SHIP INCENTIVE AREAS**

### **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.
- a. Established policy and procedures:  
The City of Deltona has instituted a policy that affordable housing projects can be placed ahead of other projects to prevent delays. All SHIP-funded projects requiring a permit or any designated affordable housing project which have been coordinated the Department of Development Services will receive expedited permit processing. All such applications will be put on colored paper in order to easily identify them from other permit requests.
- 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.
- a. Established policy and procedures:  
When any local policies, ordinances, regulations, and plans are prepared that would increase the cost of housing, the City shall provide a draft of said document to the Housing Program representative for their review, analysis and comments on how it will impact the cost of housing for lower income households. A memorandum from the Housing Program representative will be included in the packets for consideration by the Planning and Zoning Board and/or the City Commission to assist them when they make their recommendations.

**EXHIBIT A**

**Administrative Budget for each fiscal year covered in the Plan**

**2004/2005 SHIP Administrative Budget**

<b>ADMINISTRATIVE ITEM</b>	<b>BUDGET AMOUNT</b>
Salaries & Benefits	\$ 42,500
Contract Services	\$ 5,000
Temporary Help (1 wk/mo)	\$ 2,000
Advertising & Postage	\$ 1,000
Computer Hardware & Software	\$ 500
Printing & Copying	\$ 1,500
Training & Travel	\$ 1,300
Misc. Operating Expenses	\$ 2,700
<b>TOTAL</b>	<b>\$ 56,500.00</b>

**2005/2006 SHIP Administrative Budget**

<b>ADMINISTRATIVE ITEM</b>	<b>BUDGET AMOUNT</b>
Salaries & Benefits	\$ 42,500
Contract Services	\$ 5,000
Temporary Help (1 wk/mo)	\$ 2,000
Advertising & Postage	\$ 1,000
Computer Hardware & Software	\$ 500
Printing & Copying	\$ 1,500
Training & Travel	\$ 1,300
Misc. Operating Expenses	\$ 2,700
<b>TOTAL</b>	<b>\$ 56,500.00</b>

**2006/2007 SHIP Administrative Budget**

<b>ADMINISTRATIVE ITEM</b>	<b>BUDGET AMOUNT</b>
Salaries & Benefits	\$ 42,500
Contract Services	\$ 5,000
Temporary Help (1 wk/mo)	\$ 2,000
Advertising & Postage	\$ 1,000
Computer Hardware & Software	\$ 1,500
Printing & Copying	\$ 1,000
Training & Travel	\$ 1,000
Misc. Operating Expenses	\$ 2,500
<b>TOTAL</b>	<b>\$ 56,500.00</b>

**EXHIBIT B**

**Timeline for Encumbrance and Expenditure**

**Timeline for 2004/2005 Grant Year**

## **Timeline for 2005/2006 Grant Year**

**Timeline for 2006/2007 Grant Year**

**EXHIBIT C**

**Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan**

**Housing Goals Chart for 2004/2005 SHIP Grant Year**

**Housing Goals Chart for 2005/2006 SHIP Grant Year**

**Housing Goals Chart for 2006/2007 SHIP Grant Year**

**EXHIBIT D**

**Certification Page**

**CERTIFICATION TO  
FLORIDA HOUSING FINANCE CORPORATION**

Name of Local Government: City of Deltona, Florida

- (1) The local government will advertise the availability of SHIP funds pursuant to Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, creed, religion, color, age, sex, familial or marital status, handicap, or national origin.
- (3) A process for selection of recipients for funds has been developed.
- (4) The eligible municipality or county has developed a qualification system for applications for awards.
- (5) Recipients of funds will be required to contractually commit to program guidelines.
- (6) The Florida Housing Finance Corporation will be notified promptly if the local government (or interlocal entity) will be unable to comply with the provisions the plan.
- (7) The Local Housing Assistance Plan shall provide for the expenditure of SHIP funds within 24 months following the end of the State fiscal year in which they are received.
- (8) The plan conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the Local Housing Assistance Plan.
- (9) Amendments to the approved Local Housing Assistance Plan shall be provided to the Corporation within 21 days after adoption.
- (10) The trust fund shall be established with a qualified depository for all SHIP funds as well as moneys generated from activities such as interest earned on loans.
- (11) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (12) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements, copies of the audits will be forwarded to the Corporation as soon as available.
- (13) An interlocal entity shall have its local housing assistance trust fund separately audited for each state fiscal year, and the audit forwarded to the Corporation as soon as possible.



**EXHIBIT E**  
**Adopting Resolution**

**RESOLUTION NO. 2004-08**

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNER (SHIP) PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS NEEDED BY THE STATE; AUTHORIZING THE SUBMISSION OF THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; AND PROVIDING AN EFFECTIVE DATE.**

\* \* \* \* \*

**WHEREAS**, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

**WHEREAS**, the State Housing Initiatives Partnership (SHIP) Act, ss. 420.907-420.9079, Florida Statutes (1992), and Rule Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used; and

**WHEREAS**, the SHIP Act requires local governments to establish the maximum SHIP funds allowable for each strategy; and

**WHEREAS**, the SHIP Act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act; the methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

**WHEREAS**, the SHIP Act and Rule provide that the cost of administering the local housing assistance program may not exceed five percent of the local housing distribution moneys deposited into the trust fund unless the local governing body finds, by resolution, that five percent is insufficient to adequately pay the necessary costs of administering the local housing assistance program; and

**WHEREAS**, the Commission does find that five percent of its local housing distribution is insufficient to adequately pay the necessary costs of administering its local housing assistance program; and

**WHEREAS**, the Development Services Department has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

**WHEREAS**, the City Commission finds that it is in the best interest of the public for the City of Deltona to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA that:**

**SECTION 1.** The City Commission of the City of Deltona hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by §§ 420.907-420-9079, Florida Statutes, for fiscal years 2004/2005, 2005/2006 and 2006/2007.

**SECTION 2.** The Commission finds that five percent of the local housing distribution moneys deposited into the City of Deltona Local Housing Assistance Trust Fund pursuant to the SHIP Act and SHIP Rule is insufficient to adequately pay the necessary costs of administering the local housing assistance program.

**SECTION 3.** The Commission authorizes an increase in the percent of the local housing distribution allocated to administrative costs not to exceed ten percent of the total allocation in State Fiscal Years 2004-2005 through 2006-2007 and thereafter.

**SECTION 4.** The City Manager is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.

**SECTION 5.** That the Department of Development Services is hereby authorized to administer said Local Housing Assistance Plan as specified therein.

**SECTION 6.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED BY** the City Commission of the City of Deltona, Florida this

\_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
John Masiarczyk, MAYOR

ATTEST:

\_\_\_\_\_  
Faith G. Miller, MMC, CITY CLERK

Approved as to form & legality for  
use and reliance by the City of Deltona

\_\_\_\_\_  
L. Roland Blossom, CITY ATTORNEY

**EXHIBIT F**

**Program Information Sheet**

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM  
***INFORMATION SHEET***

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LOCAL GOVERNMENT: City of Deltona, Florida

**CHIEF ELECTED OFFICIAL** (Mayor, Chairman, etc.): John Masiarczyk., Mayor

ADDRESS: 2345 Providence Blvd.

Deltona, Florida 32725

**SHIP ADMINISTRATOR:** Bob Nix, AICP

ADDRESS: City of Deltona

2345 Providence Blvd.

Deltona, Florida 32725

TELEPHONE (386) 561-2100 FAX: (386) 789-7234

EMAIL ADDRESS: bnix@ci.deltona.fl.us

**ADDITIONAL SHIP CONTACTS:** Carolyn E. Bell

ADDRESS: City of Deltona

2345 Providence Blvd.

Deltona, Florida 32725

EMAIL ADDRESS: cbell@ci.deltona.fl.us

INTERLOCAL AGREEMENT: YES/NO (IF yes, list other participants in the inter-local agreement): \_\_\_\_\_

The following information must be furnished to the Corporation before any funds can be disbursed.

LOCAL GOVERNMENT EMPLOYER FEDERAL ID NUMBER: 59-3348668

MAIL DISBURSEMENT TO: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**OR IF YOUR FUNDS ARE ELECTRONICALLY TRANSFERRED PLEASE COMPLETE THE ATTACHED FORM:**

**X NO CHANGE FROM PREVIOUS ELECTRONIC FORM SUBMITTED.**

Provide any additional updates the Corporation should be aware of in the space below:

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Please return this form to: SHIP PROGRAM MANAGER, FHFC 227 N. BRONOUGH ST, STE 5000  
TALLAHASSEE, FL 32301 Fax: (850) 922-7253

**EXHIBIT G**

**Ordinance**

Not changed from the original ordinance

**EXHIBIT H**

**Interlocal Agreement**

Not Applicable

