

City of Tallahassee

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2019-2020, 2020-2021, 2021-2022

DRAFT

Table of Contents

Description	Page #
Section I, Program Details	2
Section II, Housing Strategies	7
A. Purchase Assistance	7
B. Purchase Assistance - Employees	8
C. Owner Occupied Rehabilitation	9
D. Rental Development	11
E. Homeless Rental Development	12
F. Acquisition/Rehabilitation	14
G. New Construction	15
H. Disaster Repair	17
Section III, Incentive Strategies	19
A. Expedited Permitting	19
B. Ongoing Review Process	19
C. Technical Assistance	19
D. Natural Area Inventory	19
E. Water and Sewer Connection Fee Exemption	20
F. Density Bonus for Inclusionary Housing	20
G. Regulation Reduction for Inclusionary Housing	20
H. Density Bonus for Affordable Housing	20
I. Regulation Reduction for Affordable Housing	20
J. Allowance of Accessory Dwelling Units in Residential Districts	21
Exhibits	21
A. Administrative Budget for each fiscal year covered in the Plan	
B. Timeline for Estimated Encumbrance and Expenditure	
C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year covered in the plan	
D. Signed LHAP Certification	
E. Signed Adopting Resolution	
F. Ordinance – N/A	
G. Interlocal Agreement – N/A	

I. Program Details:

A. LG(s)

Name of Local Government	City of Tallahassee
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	N/A

B. Purpose of the program:

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

C. Fiscal years covered by the Plan: 2019-2020, 2020-2021, 2021-2022

D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face to face meetings with housing providers, social service providers, local lenders and neighborhood associations, and meetings of the Affordable Housing Advisory Committee. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach: SHIP funding availability shall be advertised in a newspaper of general circulation and posted to the City’s webpage, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

I. Waiting List/Priorities: A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time applications were submitted as well as any established funding priorities as described in this plan.

The following priorities for funding described/listed here apply to all strategies unless otherwise stated:

All strategies will serve households meeting the definition of Special Needs first. After Special Needs, applications will be assisted for each strategy to meet the very low and low income set-asides.

- J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing. The City strictly forbids and will not tolerate discrimination or harassment against any employee, vendor, volunteer, independent contractor, or recipient of or participant in City services, on the basis of an individual’s race, color, gender, religion, national origin, age, disability, marital status, pregnancy, sexual orientation, gender identity or expression, genetic information, or any other characteristic protected by law.
- K. Support Services and Counseling:** Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling and Transportation.
- L. Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

- M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

“Affordable” means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household’s ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

- N. Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.
- O. Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments

shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The city/county finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states: "A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan."

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: "The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs." The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Percentage
Local Government	All administrative duties	100%
Third Party Entity/Sub-recipient	N/A	

- R. Project Delivery Costs:** Under the Owner-Occupied Rehabilitation Strategy, the City incurs project delivery costs related to outside contractors providing lead-based paint testing, wood destroying organism inspections, structural engineering services, and related services. These are generally incurred when combining funds with federal funding in order to ensure compliance with federal regulations. They are unpredictable, but lead based paint inspection, assessment and clearance testing generally does not exceed \$850; wood destroying organism inspections generally do not exceed \$500 and structural engineering services and other types of services are rare.
- S. Essential Service Personnel Definition:** The City of Tallahassee defines essential services personnel as: any household earning 80% area median income (AMI) or less and, if employed in the education system, city or county government, medical and health services, public safety, or skilled building trades.
- T. Describe efforts to incorporate Green Building and Energy Saving products and processes:** Tallahassee will monitor compliance with Chapter 11 of the 2007 Florida Building Code for Residential development regarding

Energy Efficiency. The standards relate to doors, windows, walls, floors, heating and cooling, and more. The City is committed to the production of energy efficient housing for long term affordability. The City and all contracted agencies shall adhere to all energy requirements of HUD and the State of Florida Energy Efficiency Code for Building Construction. To the maximum extent possible, the City and all contracted agencies shall encourage the incorporation of energy efficiency features, such as building layout and Energy Star rated appliances, into rehabilitation or construction projects. When possible, rehabilitation and redevelopment activities will attempt to take advantage of the Tallahassee Utility Services Department rebates for natural gas water heaters, ovens, and clothes dryers; ceiling insulation; Energy Star rated appliances; and solar water heaters. Deconstruction and Recycling (D & R) is a better green building technique than new construction, because existing building materials are saved and re-used. Tallahassee will attempt to re-use building materials or purchase "green" building materials to the greatest extent possible with fiscal limitations. In building design for redevelopment activities, green-building principles will be considered in addition to energy efficiency features. The City will encourage green design features such as native plant landscaping to conserve water; pervious parking surfaces; use of natural gas where available; orientation of buildings to reduce energy demand; and bicycle, pedestrian, and bus amenities to encourage alternatives to automobile transportation. The City will also encourage housing developers to reduce on-site impact on natural resources and preserve patriarch trees (36" diameter).

- U. Describe efforts to meet the 20% Special Needs set-aside:** The city will partner with social service agencies serving the designated special needs populations to achieve the goal of the special needs set-aside. The goals will be met through the owner-occupied rehabilitation, emergency repair and accessibility rehabilitation strategies.
- V. Describe efforts to reduce homelessness:**
The City will work with agencies serving the homeless populations primarily through rental assistance to place these individuals or families in shelters, rental, or transitional housing for the purpose of providing stable housing.

Section II. LHAP Strategies:

A. Purchase Assistance	Code: 2
-------------------------------	---------

a. Summary: Funds will be awarded for Downpayment, closing costs and deep subsidy assistance for new and existing homes. Funds will be made available to assist first-time homebuyers, defined per the Federal Housing Administration as: an individual who has had no ownership in a principal residence during the three year period ending on the date of purchase of the property; a single parent who has only owned with a former spouse while married; an individual who is a displaced homemaker and has only owned with a spouse; an individual who has only owned a principal resident not permanently affixed to a permanent foundation; or an individual who has only owned a property that was not in compliance with State, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure. A non-first time homebuyer may be eligible if they are purchasing a HOME CHDO unit, or an Inclusionary Housing Unit, defined as, “a newly constructed dwelling unit offered to an eligible household at or below the maximum purchase price such that the average sales price of all the required inclusionary units within the development are at or below the average sales price established by this article” (per Tallahassee, Florida Land Development Code, Chapter 9, Article VI, Section 9-241).

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low and low
- d. Maximum award: \$15,000
- e. Terms (all six items must be completed or “N/A”)
 1. Repayment loan/deferred loan/grant: Deferred payment loan secured by a note and mortgage.
 2. Interest Rate: 0%
 3. Years in loan term: 30
 4. Forgiveness: N/A
 5. Repayment: Loan due in full at maturity
 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as a primary residence; the property is no longer occupied by the program beneficiary; or the property is refinanced. If any of these occur, the loan will be due and payable. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an heir who is on the loan and who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

- f. Recipient Selection Criteria: Applicants will be reviewed and approved on a first-qualified, first-ready-to-close basis.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
 1. Applicants must secure a first mortgage by an approved lender.
 2. The maximum will not be awarded in all cases.
 3. Mobile homes are not eligible for purchase under this program.
 4. In addition to the Downpayment assistance, the City provides homeownership counseling which is managed by a sub-recipient.
 5. The City pays a fee of \$1,000 to a subrecipient for purchase assistance program services related to each loan funded as part of the award. This amount is considered a grant to the applicant.
 6. See the Housing Division Policy and Procedures Manual for more specific information for this strategy.

B. Purchase Assistance - Employees	Code: 2
---	---------

a. Summary: Funds will be awarded to eligible City employees who purchase a home within the designated target neighborhoods, as determined by the Housing Division, to assist with Downpayment, closing costs, and/or reduction of the primary mortgage loan. First-time and non-first time homebuyers are eligible to apply.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$5,000
- e. Terms (all six items must be completed or "N/A"):
 1. Repayment loan/deferred loan/grant: A loan secured by a subordinate recorded mortgage and note for the term of the first mortgage.
 2. Interest Rate: 0%
 3. Years in loan term: 5 years
 4. Forgiveness: The loan is forgiven at the end of the term.
 5. Repayment: There is no payment during the term of the loan.
 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as a primary residence; the property is no longer occupied by the program beneficiary; or the property is refinanced. If any of these occur, the loan will be due and payable. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an heir who is on the loan and who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

- f. Recipient Selection Criteria: Applicants will be reviewed and approved on a first-qualified, first-ready-to-close basis. The applicant must be a non-probationary employee in good standing and purchase a home in one of the target neighborhoods as designated by the City Commission and be able to obtain first mortgage financing.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
 1. Mobile homes are not eligible for purchase under this program.
 2. In addition to this assistance, first-time homebuyer employees with very low and low household incomes may also qualify for assistance under the Purchase Assistance Program.
 3. See the Housing Division Policy and Procedures Manual for more specific information for this strategy.

C. Owner Occupied Rehabilitation	Code: 3
---	---------

- a. Summary: Funds will be awarded to assist owner-occupied eligible households with repairs, alterations, and/or additions in order to improve the health, safety, and well-being of the household, or to contribute to the structural integrity and preservation of the unit. Repairs will address an emergency, make the home accessible, connect the home to the City water and sewer system, correct code violations, make the home less susceptible to major storm damage, and/or substantially rehabilitate the home. This strategy covers the following programs:
 1. Emergency Home Repair Program
 2. Owner-Occupied Rehabilitation and Reconstruction
 3. Water and Sewer Connection Program
 4. Accessibility Rehabilitation Program
 5. Code Enforcement Rehabilitation Program
 6. Storm Damage Mitigation Program

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Extremely low, very low, and low
- d. Maximum award: The maximum awards vary by program as follows:
 1. Emergency Home Repair Program - \$12,500
 2. Owner-Occupied Rehabilitation and Reconstruction - \$40,000
 3. Water and Sewer Connection Program - \$10,000
 4. Accessibility Rehabilitation Program - \$12,500
 5. Code Enforcement Rehabilitation Program - \$2,500
 6. Storm Damage Mitigation Program - \$12,500

- e. Terms (all six items must be completed or “N/A”): Terms vary by program.
1. Repayment loan/deferred loan/grant:
 - a. Emergency Home Repair Program
 - i. Less than 15-year lifespan – Grant
 - ii. 15 year or more lifespan, or are one of the following: new roof, new heating/air conditioning system, water line, sewer line – Loan (subject to a lien)
 - b. Owner-Occupied Rehabilitation and Reconstruction - loan
 - c. Water and Sewer Connection Program - loan
 - d. Accessibility Rehabilitation Program - grant
 - e. Code Enforcement Rehabilitation Program – loan
 - f. Storm Damage Mitigation Program - grant
 2. Interest Rate: 0% - all programs
 3. Years in loan term:
 - a. Emergency Home Repair Program – for those subject to the loan, 5 years
 - b. Owner-Occupied Rehabilitation and Reconstruction – 10-year loan
 - c. Water and Sewer Connection Program – 7-year loan
 - d. Accessibility Rehabilitation Program – N/A
 - e. Code Enforcement Rehabilitation Program – 5-year loan
 - f. Storm Damage Mitigation Program – N/A
 4. Forgiveness:
 - a. Emergency Home Repair Program – for those subject to the loan, forgivable over 5 years at 1/60th monthly
 - b. Owner-Occupied Rehabilitation and Reconstruction – forgivable over 10 years at 1/120th monthly
 - c. Water and Sewer Connection Program – forgivable over 7 years at 1/84th monthly
 - d. Accessibility Rehabilitation Program – N/A
 - e. Code Enforcement Rehabilitation Program – forgivable over 5 years at 1/60th monthly
 - f. Storm Damage Mitigation Program – N/A
 5. Repayment: For those programs subject to the loans, the unforgiven balance of the loan becomes due and payable if one of the following occurs within the stated period:
 - a. The property is sold;
 - b. The property is rented;
 - c. The property is no longer occupied by the program beneficiary; or
 - d. The property is refinanced (see the Housing Division Policies and Procedures Manual for exemptions).
 6. Default: In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an heir who is on the loan and who will occupy the home as a primary residence. If the legal heir is not on the loan, or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available after satisfaction of all superior mortgages.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis, with priority given to Special Needs individuals and households. Criteria for waiting lists and priorities are

described in Section I of this plan. For life threatening health or safety hazards, application review will be prioritized. Applicants must be owner-occupants of the home for which assistance is sought.

- g. Sponsor Selection Criteria: Applications may be reviewed on an ongoing basis by the Housing Division staff or by potential sponsors. Contracted agencies that perform the rehabilitation activities will be selected through a competitive process in accordance with the City’s purchasing guidelines. The contracted agencies are selected based on criteria including, but not limited to, the following:
 - The financial strength of the sponsor;
 - Up-to-date status of sponsor’s license and insurance;
 - Ability of the sponsor to complete the rehabilitation projects in a timely manner;
 - The capacity of the sponsor;
 - The experience of the sponsor;
 - Willingness of the sponsor to contractually commit to SHIP and other City requirements; and
 - Preference for sponsors that employ personnel from the Welfare Transition Program.
- h. Additional Information:
 - See the Housing Division Policy and Procedures manual for more specific information on this strategy.
 - Mobile homes are not eligible for this strategy.
 - The programs listed in this strategy may be combined.

D. Rental Development	Codes: 14, 21
------------------------------	---------------

a. Summary: Funds will be awarded to developers of new or rehabilitated affordable rental units that are awarded construction financing through other state or federal housing programs to construct or rehabilitate affordable rental units. This funding may be used as gap financing required for the project. Non-profit and for-profit developers are eligible to apply.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Extremely low, Very low, and low
- d. Maximum award: \$20,000 per unit
- e. Terms (all six items must be completed or “N/A”):
 1. Repayment loan/deferred loan/grant: Below-market rate loan.
 2. Interest Rate: 3% maximum
 3. Years in loan term: No less than 15 years or a period coterminous with the first mortgage loan
 4. Forgiveness:
 - a. For-profit developers: No forgiveness
 - b. Non-profit developers: Forgiveness or deferment for an additional term at the end of the term based on the following: Financial strength and ability pay based on review of the operating pro form and review of existing assets; populations being served; existing capacity of the organization; history of compliance with the terms of the loan; and other relevant issues such as the availability of the housing and services through other agencies.
 5. Repayment:

- a. For-profit developers: Repayment after 15 years or a period that is coterminous with the first mortgage loan.
- b. Non-profit developers: N/A
- 6. Default: The loan will be due and payable before the end of the term only if the units are sold or are no longer occupied by income-eligible households. Units must remain affordable for at least 15 years as required in Section 420.9075(4)(f), F.S. Units will be subject to resale provisions as described in Rule 67-37.007(10), F.A.C., as amended.
- f. Recipient Selection Criteria: Applications from potential tenants will be reviewed for eligibility by the program sponsors and will be approved on a first-qualified basis.
- g. Sponsor Selection Criteria: Applications from potential sponsors will be reviewed on an ongoing basis. Non-profit sponsors used to implement this program must have received a tax-exempt ruling as a non-profit agency from the IRS under Section 501(c) of the Internal Revenue Code. The non-profit must have in its mission statement, Articles of Incorporation, or bylaws that it is dedicated to the provision of housing and services for persons who are homeless. For-profit sponsors administering the program must have experience performing housing activities for persons who are homeless. The criteria to select for-profit or non-profit agencies may include, but is not limited to, the following:
 - Consistency of the project with basic goals and objectives of the City;
 - The financial strength of the sponsor;
 - The ability of the sponsor to complete the project by the deadlines established by the City;
 - The capacity of the sponsor;
 - The level of experience in affordable housing development;
 - Proof of site control;
 - Willingness of the sponsor to contractually commit to SHIP and other City requirements;
 - Agreement to select tenants on the basis of compliance with all eligibility requirements imposed by the program; and
 - Preference for sponsors that employ personnel from the Welfare Transition Program.
- h. Additional Information:
 - The City shall conduct annual monitoring visits or rely on the monitoring reports resulting from monitoring visits conducted as a requirement for other federal, state, or local funding sources to verify that the development is in compliance with SHIP affordable housing rules and requirements.
 - To the maximum extent possible, the City and all contracted agencies shall encourage the incorporation of energy efficiency features, and green building and design techniques into rehabilitation or construction projects for sustainability and affordability.
 - See the Housing Division Policy and Procedures manual for more specific information on this strategy.

E. Homeless Rental Development	Codes: 14, 21
---------------------------------------	------------------

a. Summary: Funds will be awarded to for-profit and non-profit developers of new or rehabilitated permanent rental housing for households or persons who are homeless as defined in Section 420.621, F.S.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Extremely low, Very low, and low
- d. Maximum award: \$50,000 per unit
- e. Terms (all six items must be completed or "N/A"):
1. Repayment loan/deferred loan/grant: Loan
 2. Interest Rate: 3% maximum
 3. Years in loan term: Minimum 15 years or a period that is coterminous with the first mortgage loan.
 4. Forgiveness:
 - a. For-profit developers: No forgiveness
 - b. Non-profit developers: Forgiveness or deferment for an additional term at the end of the term based on the following: Financial strength and ability pay based on review of the operating form and review of existing assets; populations being served; existing capacity of the organization; history of compliance with the terms of the loan; and other relevant issues such as the availability of the housing and services through other agencies.
 5. Repayment:
 - a. For-profit developers: Repayment after 15 years or a period that is coterminous with the first mortgage loan.
 - b. Non-profit developers: N/A
 6. Default: The loan will be due and payable within its term if the property is sold or is no longer used to house eligible households or persons who are homeless. If the property is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available after satisfaction of all superior liens.

In the event the sponsor ceases to use the property to house eligible households or persons who are homeless, or if the sponsor offers the property for sale prior to the end of the term of the loan, the agency must give a right of first refusal to an eligible non-profit for purchase at the current market value for continued occupancy by eligible persons.

- f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed for eligibility and approved based on a first-qualified, first-served basis and may be referred by other agencies. Recipients must provide documentation proving the need for housing for persons who are homeless and must meet income qualification guidelines.
- g. Sponsor/Sub-recipient Selection Criteria: Applications from potential sponsors will be reviewed on an ongoing basis. Non-profit sponsors used to implement this program must have received a tax-exempt ruling as a non-profit agency from the IRS under Section 501(c) of the Internal Revenue Code. The non-profit must have in its mission statement, Articles of Incorporation, or bylaws that it is dedicated to the provision of housing and services for persons who are homeless. For-profit sponsors administering the program must have experience performing housing activities for persons who are homeless. The criteria to select for-profit or non-profit agencies may include, but is not limited to, the following:
- The financial strength of the sponsor;
 - The ability of the sponsor to complete the project by the deadlines established by the SHIP rule and statute;

- The experience of the Board or Staff with matters related to persons who are homeless;
- Willingness to contractually commit to SHIP and other City requirements;
- Agreement to select tenants on the basis of compliance with all eligibility requirements imposed by the program; and
- Preference for sponsors that employ personnel from the Welfare Transition Program.

h. Additional Information:

- To the maximum extent possible, the City and all contracted agencies shall encourage the incorporation of energy efficiency features, and green building and design techniques into rehabilitation or construction projects for sustainability and affordability.
- See the Housing Division Policy and Procedures manual for more specific information on this strategy.

F. Acquisition/Rehabilitation	Code: 9
--------------------------------------	---------

a. Summary: Funds will be awarded to non-profit and for-profit developers/sponsors for acquisition, rehabilitation and resale to income eligible buyers of vacant single-family housing units. The program is designed to preserve the City’s housing stock, reduce the number of vacant, boarded-up, and blighted properties, and provide an additional resource for the provision of affordable housing. Rehabilitation units may include those units that have been acquired by the City.

b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022

c. Income Categories to be served: Extremely low, Very low, and low

d. Maximum award: \$50,000

e. Terms (all six items must be completed or “N/A”):

1. Repayment loan/deferred loan/grant: Deferred loan secured by a mortgage and note
2. Interest Rate: 3% maximum
3. Years in loan term: Varies.
4. Forgiveness: N/A
5. Repayment: Outstanding balance of loan due upon sale of the unit to an income eligible buyer
6. Default: If a unit is not sold to an eligible household within program expenditure timelines, the borrowing agency shall be required to pay back the amount of the loan in full. In the event the sponsor ceases to use the property for housing eligible households, or if the sponsor offers the property for sale prior to the end of the term of the loan, the agency must give a right of first refusal to an eligible non-profit for purchase at the current market value for continued occupancy by eligible persons. If the unit is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available after satisfaction of all superior mortgages.

f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed and approved on a first-qualified, first-served basis. The applicant must be able to obtain mortgage financing.

g. Sponsor Selection Criteria: Applications from potential sponsors will be reviewed on an ongoing basis.

Non-profit sponsors used to implement this program must have received a tax-exempt ruling as a non-profit agency from the IRS under Section 501(c) of the Internal Revenue Code. The non-profit must have in its mission statement, Articles of Incorporation, or bylaws that it is dedicated to the provision of housing and services for persons who are homeless. For-profit sponsors administering the program must have experience performing housing activities for persons who are homeless. The criteria to select for-profit or non-profit agencies may include, but is not limited to, the following:

- The financial strength of the sponsor;
- The ability of the sponsor to complete the project by the deadlines established by the SHIP rule and statute;
- The experience of the Board or Staff with matters related to persons who are homeless;
- Willingness to contractually commit to SHIP and other City requirements;
- Agreement to select recipients of funding on the basis of compliance with all eligibility requirements imposed by the program;
- Preference for Community Housing Development Organizations (CHDOs) who acquire land and rehabilitate housing units located in the City’s targeted neighborhoods; and
- Preference for sponsors that employ personnel from the Welfare Transition Program.

h. Additional Information:

- To the maximum extent possible, the City and all contracted agencies shall encourage the incorporation of energy efficiency features, and green building and design techniques into rehabilitation or construction projects for sustainability and affordability.
- See the Housing Division Policy and Procedures manual for more specific information on this strategy.
- Mobile homes are not eligible for this program.
- Rehabilitation must be completed, and the unit occupied either within one year immediately preceding the date of conveyance of title or within 24 months of the close of the applicable State fiscal year.

G. New Construction	Code: 10
----------------------------	----------

a. Summary: Funds will be awarded to non-profit and for-profit developers/sponsors for acquisition of land, new construction and resale of single family housing units to income eligible homebuyers.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Extremely low, Very low, and low
- d. Maximum award: \$50,000
- e. Terms (all six items must be completed or “N/A”):
 1. Repayment loan/deferred loan/grant: Deferred loan secured by a mortgage and note
 2. Interest Rate: 3% maximum
 3. Years in loan term: Varies. See section h., Additional Information, below.
 4. Forgiveness: N/A

5. Repayment: Outstanding balance of loan due upon sale of the unit to an income eligible buyer.
6. Default: If a unit is not sold to an eligible household within program expenditure timelines, the borrowing agency shall be required to pay back the amount of the loan in full. In the event the sponsor ceases to use the property for housing eligible households, or if the sponsor offers the property for sale prior to the end of the term of the loan, the agency must give a right of first refusal to an eligible non-profit for purchase at the current market value for continued occupancy by eligible persons. If the unit is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available after satisfaction of all superior mortgages.

f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed and approved on a first-qualified, first-served basis. The applicant must be able to obtain mortgage financing.

g. Sponsor Selection Criteria: Applications from potential sponsors will be reviewed on an ongoing basis. Non-profit sponsors used to implement this program must have received a tax-exempt ruling as a non-profit agency from the IRS under Section 501(c) of the Internal Revenue Code. The non-profit must have in its mission statement, Articles of Incorporation, or bylaws that it is dedicated to the provision of housing and services for persons who are homeless. For-profit sponsors administering the program must have experience performing housing activities for persons who are homeless. The criteria to select for-profit or non-profit agencies may include, but is not limited to, the following:

- The financial strength of the sponsor;
- The ability of the sponsor to complete the project by the deadlines established by the SHIP rule and statute;
- The experience of the Board or Staff with matters related to persons who are homeless;
- Willingness to contractually commit to SHIP and other City requirements;
- Agreement to select recipients of funding on the basis of compliance with all eligibility requirements imposed by the program;
- Preference for Community Housing Development Organizations (CHDOs) who acquire land and construct housing units located in the City's targeted neighborhoods; and
- Preference for sponsors that employ personnel from the Welfare Transition Program.

h. Additional Information:

- To the maximum extent possible, the City and all contracted agencies shall encourage the incorporation of energy efficiency features, and green building and design techniques into rehabilitation or construction projects for sustainability and affordability.
- See the Housing Division Policy and Procedures manual for more specific information on this strategy.
- Construction must be completed and the unit occupied either within one year immediately preceding the date of conveyance of title or within 24 months of the close of the applicable State fiscal year.

H. Disaster Repair	Code: 5
---------------------------	---------

a. Summary: The Disaster Strategy provides assistance to households following a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will only be implemented in the event of a disaster using any funds that have not yet been encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation. SHIP disaster funds may be used for items such as, but not limited to:

- (a) purchase of emergency supplies for eligible households to weatherproof damaged homes;
- (b) interim repairs to avoid further damage, tree and debris removal required to make the individual housing unit habitable;
- (c) relocation expenses;
- (d) payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies;
- (e) elevation of the structure and rehabilitation to comply with local housing code and with Chapter 553, F.S.;
- (f) Repairing structural and non-structural damages, roof repair/replacement, structure demolition/replacement, and retrofitting activities such as waterproofing or elevating a structure.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Extremely low, Very low, low and moderate
- d. Maximum award: \$125,000
- e. Terms (all six items must be completed or "N/A"):
 - 1. Repayment loan/deferred loan/grant: Forgivable loan involving a security instrument (lien)
 - 2. Interest Rate: 0%
 - 3. Years in loan term:
 - a. Value of improvement \$0 to \$14,999.99: Five years
 - b. Value of improvement \$15,000.00 to \$40,000.00: ten years
 - c. Value of improvement over \$40,000.00: 15 years
 - 4. Forgiveness:
 - a. Value of improvement \$0 to \$14,999.99: 20% forgiven each year for five years
 - b. Value of improvement \$15,000.00 to \$40,000.00: 10% forgiven each year for ten years
 - c. Value of improvement over \$40,000.00: 6.667% each year for 15 years
 - 5. Repayment: None unless any of the following events occur:
 - a. Homeowner sells, transfers, or disposes of the assisted unit (by either sale, transfer, bankruptcy, foreclosure, etc.);
 - b. Homeowner no longer occupies the unit as his/her principal residence;
 - c. Homeowner dies, or if a married couple, the survivor dies. Income eligible heirs shall be considered for assumption of the Agreement terms;
 - d. Refinancing: loans must fully amortize; no additional debt may be incurred beyond closing costs unless they are for home improvements and the cost estimates are provided; and borrower may not receive any cash at refinance closing.

6. Default: N/A

f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed and verified for eligibility and approved on a first-qualified basis. Applicants must own and occupy the home.

g. Sponsor Selection Criteria: Applications from potential sponsors will be reviewed on an ongoing basis. Sponsors may assist in screening applicants, determining what disaster-resistant measures are necessary and assisting applicants with the installation and construction of disaster-resistant mitigations measures as listed in section H.a, Summary, above, and under section h., Additional Information, below. Eligible sponsors may employ the assistance of subcontractors for the installation and/or construction of disaster-resistant mitigation measures. The City shall announce the availability of funding for this strategy in the local newspaper. Sponsors used to implement this program must have received a tax-exempt ruling as a non-profit agency from the IRS under Section 501(c) of the Internal Revenue Code. The non-profit agency must have in its mission statement, Articles of Incorporation, or bylaws that it is dedicated to provision of these services. In reviewing proposals from potential sponsor, the City shall consider the following criteria:

- The financial strength of the sponsor;
- The ability of the sponsor to complete the repairs by the deadlines established by the SHIP rule or statute;
- The capacity of the sponsor;
- The level of experience;
- Willingness to contractually commit to SHIP and other City requirements;
- Agreement to select recipients on the basis of compliance with all eligibility requirements imposed by the program;
- Preference for sponsors that employ personnel from the Welfare Transition Program.

h. Additional Information:

- Mobile homes are not eligible under this strategy.
- No more than 20% of the City's annual SHIP allocation may be expended on manufactured homes.
- SHIP disaster awards must be directly related to assisting persons affected by a declared disaster.
- Additional retrofitting activities that are eligible include, but are not limited to: waterproofing, elevating structures, elevating water heaters and heating/cooling units in flood prone areas; installing back-flow valves on sewer lines; demolition; replacement; removal of trees and limbs which represent a hazard during high wind events; and other approved improvements.
- All mitigation and rehabilitation activities will meet the requirements of the National Flood Insurance Program.
- See the Housing Division Policy and Procedures manual for more specific information on this strategy.

III. LHAP Incentive Strategies

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

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

Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

Provide a description of the procedures used to implement this strategy: The City Commission has directed that certified affordable housing projects will be given priority status in the land use/growth management process (City Commission Policy 710.03). The Growth Management Department will give first priority to certified affordable housing projects in the processing of applications for Limited Partition subdivisions; Type A site plans; and all certificates, permits and approvals issued by Growth Management.

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

An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Provide a description of the procedures used to implement this strategy: Housing Policies 2.1.5 and 2.1.6 in the Housing Element of the City's Comprehensive Plan requires local government to perform a fiscal impact analysis of any proposed policies, programs, ordinances, regulations, or plan provisions that might have an impact on affordable housing development costs or housing preservation. The analyses must be completed prior to submission to the City Commission for review and subsequent action. A statement showing the potential fiscal impact each proposed item may have on future development or preservation of affordable housing shall also be submitted to the Commission for consideration.

C. Name of Strategy: **Technical Assistance**

Staff members from various city departments are available to consult, on an informal basis, on project feasibility at the outset of project planning.

Provide a description of the procedures used to implement this strategy: An interdepartmental team of City staff will be available to certify a project as affordable and/or to consult on an informal basis with applicants for potential affordable housing projects regarding the feasibility of the project and issues of land use approvals, permitting and utility service (City Commission Policy 710.03).

D. Name of Strategy: **Natural Area Inventory**

Staff services are offered to perform a Natural Area Inventory for small certified affordable housing projects.

Provide a description of the procedures used to implement this strategy: Upon the receipt of a complete application and a map of the property in question showing two-foot contours, the Growth Management Department will perform the Natural Areas Inventory for small (20 units or less) certified affordable housing projects, as required by Section 61 of the Environmental

Management Ordinance (City Commission Policy 710.03).

- E. Name of Strategy: **Water and Sewer Connection Fee Exemption**
 Affordable housing units receive water and sewer connection fee exemptions.
 Provide a description of the procedures used to implement this strategy: City Code of Ordinances Chapter 21, Article V. Section 21-152 exempts developers from water and sewer systems charges, and residential tap fees for new affordable housing developments.
- F. Name of Strategy: **Density Bonus for Inclusionary Housing**
 Under the Inclusionary Housing Ordinance, residential developments of 50 units or more in specific geographic areas, Target Planning Areas, Critical Planning Areas, and Developments of Regional Impact, are required to build 10% of their units as affordable housing. In return for building the affordable units, developers may construct the units at densities greater than those provided in the respective classifications of land use contained within the Land Use Element of the City's Comprehensive Plan.
 Provide a description of the procedures used to implement this strategy: Developers who agree to build affordable housing units under the Inclusionary Housing Ordinance may increase the density of the development up to 25% provided that there are no negative environmental impacts or other negative consequences (Housing Element Policy 2.1.4 and Land Use Element 2.1.14, Tallahassee-Leon County Comprehensive Plan; and Land Development Code Chapter 9, Article VI, Section 9-246).
- G. Name of Strategy: **Regulation Reduction for Inclusionary Housing**
 Under the Inclusionary Housing Ordinance, residential developments of 50 units or more in specific geographic areas, Target Planning Areas, Critical Planning Areas, and Developments of Regional Impact, are required to build 10% of their units as affordable housing. In return for building the affordable units, developments may benefit from reductions in setbacks, lot sizes, buffering, and screening. Inclusionary housing units are exempt from transportation concurrency fees.
 Provide a description of the procedures used to implement this strategy: Developers who agree to build affordable housing units under the Inclusionary Housing Ordinance may receive design flexibility, deviation from design standards and a transportation concurrency exemption (Land Development Code, Chapter 9, Article VI, Section 9-246.)
- H. Name of Strategy: **Density Bonus for Affordable Housing**
 Housing developers that commit to sell or rent homes to households earning less than 80%AMI would be eligible to construct the units at densities greater than those provided in the respective classifications of land use contained within the Land Use Element of the City's Comprehensive Plan.
 Provide a description of the procedures used to implement this strategy: Developers who agree to build affordable housing units in Planned Unit Developments may increase the density of the development up to 25% provided that there are no negative environmental impacts or other negative consequences (Land Use Element 2.1.14, Tallahassee-Leon County Comprehensive Plan).
- I. Name of Strategy: **Regulation Reduction for Affordable Housing**
 As an incentive to build affordable housing developments to maximum allowable density,

regulation reductions are provided for any housing units constructed in Planned Unit Developments for households earning 80% AMI or less.

Provide a description of the procedures used to implement this strategy: Housing developers that commit to sell or rent homes to households earning less than 80% AMI in Planned Unit Developments are eligible to receive reductions in urban forest and landscape requirements (Land Use Element 2.1.14, Tallahassee-Leon County Comprehensive Plan).

J. Name of Strategy: **Allowance of Accessory Dwelling Units in Residential Districts**

The City allows attached and detached accessory dwelling units in residential zoning districts.

Provide a description of the procedures used to implement this strategy: Attached accessory dwelling units and detached garage dwelling unit conversions are allowed based on Land Development Regulation Chapter 10 Zoning, Article VII Supplementary Regulations, Section 10-412.

IV. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.
- F. Ordinance – N/A.
- G. Interlocal Agreement – N/A.
- H. Other Documents Incorporated by Reference – N/A.