

City of Delray Beach



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2019-2020, 2020-2021, 2021-2022



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I. Program Details:

A. LG(s)

Name of Local Government	City of Delray Beach
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. The City of Delray Beach’s Community Improvement Department has engaged a partnership with the Delray Beach Community Redevelopment Agency, Delray Beach Housing Authority (Delray Housing Group), Delray Beach Community Land Trust, the Habitat for Humanity of South Palm Beach County, and local contractors. This partnership was developed to implement a comprehensive home-building and community revitalization program. Resources from each participant are leveraged to minimize the duplication of services, streamline the approval process and to reduce the cost of housing to very-low, low-, and moderate-income homebuyers.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs. The use of SHIP funds along with CDBG funds, General Revenue contributions awarded by the City, CRA, leveraged with private sector financing and technical support and other public funds provide the basis for increasing the supply of affordable housing for Delray Beach residents. Emphasis remains on combining neighborhood improvements with the provision of homeownership opportunities for the very-low and low-income households.

G. Public Input: Public input was solicited through face to face meetings with housing providers and social service providers whereby comments on allocation of program funds and implementation of program strategies and incentives can be provided. Public input is solicited through the local newspaper in the advertising of the Notice of Funding Availability for the housing programs.

H. Advertising and Outreach: SHIP funding availability shall be advertised in a newspaper of general circulation



and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required. In addition to advertising in the newspaper, the City publicizes the SHIP program on the City's website.

- 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 are notified of their status once placed. 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:

When funds are available for a strategy, the applicants from the waiting list will be contacted to submit/update the application for SHIP assistance. Applicants will be placed in the queue for assistance once they have provided all required documentation and been deemed SHIP eligible.

Ranking Priority:

1. Special Needs Households
 - a. Very low
 - b. Low
 - c. Moderate
2. Essential Services Personnel
 - a. Very low
 - b. Low
 - c. Moderate
3. After Special Needs Set-asides and ESP goals are met
 - a. Very Low
 - b. Low
 - c. Moderate

- 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 familial status in the award application process for eligible housing. In implementing its SHIP program, the City of Delray Beach is mindful of affirmatively furthering fair housing. The City utilizes CDBG funds to further fair housing outreach and education activities, as called for in the Consolidated Plan. All SHIP applicants are required to attend home- buyer education seminars that include a segment on fair housing.
- K. **Support Services and Counseling:** 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		100
Third Party Entity		

R. Project Delivery Costs: No project delivery costs.

S. Essential Service Personnel Definition: “Essential Services Personnel” means persons whose household incomes do not exceed 140% of AMI, as determined annually by the Florida Housing Finance Corporation and adjusted for family size, and shall include teachers and educators; other school district, community college, and university employees; police and fire personnel; health care personnel; skilled building trades personnel; Federal, State, County, and local government personnel.

T. Describe efforts to incorporate Green Building and Energy Saving products and processes:

Energy Efficiency and Green Housing-related repairs shall be encouraged. The local utility provider may perform a free Energy Audit. Every effort will be made to leverage SHIP funding with Utility Rebates for insulation, appliances replacement, encourage innovative design, green building principles, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance and more. Repairs shall also be guided by the minimum building code which is the 2018 Residential Florida Building Code. These repairs shall include but are not be limited to the following:

- Window repair, replacement and weather stripping
- Paints and primers that meet the Green Seal G-11 Environmental Standard
- Commodes or water closet with 1.3 gallons per flush capacity.
- Building envelop sealing specifications
- Installation of Energy Star Ceiling Fans
- Proper ventilation when undertaking substantial rehabilitation
- Installation of Energy Star efficient lighting, including fixtures
- Installation of efficient equipment for heating, cooling and water heating.
- Efficient air distribution, where ducts are installed with minimum air leaks and are effectively insulated.

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

U. Describe efforts to meet the 20% Special Needs set-aside: Presently the City of Delray Beach has priority preference measures within the housing rehabilitation program to provide assistance to households with one or more members with special needs. A minimum of 20 percent of the annual State Housing Initiatives Partnership (SHIP) fund allocation is to serve persons with special needs as defined in s. 420.0004 (13), Florida Statutes. The first priority of these special needs funds must be to use them for persons with developmental



disabilities. Within the CDBG program, special attention is given to address special needs households by addressing ADA accessibility measures i.e., bathroom fixtures; high toilets, lower sinks, roll-in showers, and grab bars as well as outside wheelchair ramps and widening of doors. Most handicapped accessibility are addressed within the bathroom repairs, kitchen and for inside and outside accessibility of the home.

V. Describe efforts to reduce homelessness: Presently, the City partners with CROS Ministries which has operated the Caring Kitchen over twenty years. The agency provides food, emergency services, advocacy, and long-term self-sufficiency. Division staff has been a participating member of the Homeless Task Force working to create short/long term goals to prevent homelessness. The City has a Service Population Advocate whose responsibilities include referring persons to transitional housing through the Lewis Center, Recovery Residences if appropriate, or local rooms and apartments for rent. Palm Beach County also houses the Senator Philip D. Lewis Center to assist individuals who are homeless in Palm Beach County through outreach, assessment, and housing. Homeless Services staff assesses individuals at the Lewis Center for Housing Focused Services and provide Case Management to homeless individuals in Transition. Services are prioritized to the most vulnerable homeless persons. Palm Beach County is transitioning services towards a Housing First philosophy in its practices.

Section II. LHAP Strategies:

A. Purchase Assistance with and without rehabilitation	Code 1, 2
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<p>a. Summary: This strategy assists eligible first-time homebuyers with a deferred payment loan to be applied towards down payment, rehabilitation costs (if applicable), closing costs and principal reductions for the construction of new and/or purchase of existing single-family homes, townhouses, villas and condominiums.</p>

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

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

d. Maximum award: \$ 75,000

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred, payment loan secured by a note and mortgage.
2. Interest Rate: 0%
3. Years in loan term:

\$35,000 or less	15 year term
\$35,001 to \$75,000	30 year term

4. Forgiveness: All loan awards will be forgiven at the end of the term.

5. Repayment: None required as long as the loan is in good standing.

6. Default: Repayment of the full loan award will be immediately due to the City in the event any “qualifying event(s)” occur prior to expiration of the note. In the event the SHIP recipient dies, the deferred payment loan may be assumed by an eligible heir who occupies the dwelling, or must provide lease



agreement to very-low to moderate tenants. Transfers by inheritance to the Unit Owner's surviving spouse, qualified domestic partner, or lineal descendants, are allowed.

Qualifying event(s) are considered to be:

- sale of unit or transfer of title;
 - i. Transfers of title under the following circumstances shall be allowed, and are not subject to the restrictions included in this Covenant:
 - ii. Transfers by inheritance to the Unit Owner's surviving spouse, qualified domestic partner, or lineal descendants, or;
 - iii. Transfers of title to a spouse as part of a divorce decree, or to a qualified domestic partner as part of a court approved property settlement agreement; or
 - iv. Acquisition of title or interest therein by an existing Unit Owner's spouse if it is in conjunction with marriage of the Unit Owner and his/her spouse, or by an existing Unit Owner's qualified domestic partner; or
- the assisted homeowner fails to continuously occupy the home;
- the unit is rented;
- the unit is refinanced without prior authorization of the City.
- Death of the homeowner. Assumable by an eligible heir living in the home.

In the event the homeowner wishes to refinance his or her first mortgage or take out an equity loan to make repairs or improvements, the City has created an administrative policy pertaining to subordination requests. The subordination policy is attached as Exhibit "H".

- f. Recipient Selection Criteria: In addition to being income eligible as described above, applicants must meet the following selection criteria:
- Applicants will be selected on a first qualified, first-ready basis;
 - Must be first-time homebuyer(s), which is defined as one of the following:
 - someone who has not owned a home during the past three years;
 - a single parent who has been divorced and displaced within the 12 month period prior to time of application, and whose household includes children under the age of 18;
 - a displaced victim of domestic abuse;
 - a person displaced as a result of a government action (other than eviction from public housing; and those who have special needs according to 420.0004 (13) F.S.;
 - Must have a bank account;
 - Applicants must contribute a minimum of 2% of the purchase price toward the transaction (out-of-pocket expenses are included in this calculation);
 - Applicant must have applied for a first mortgage with an approved lender,
 - The applicant must have attended and completed an approved homebuyer education course (i.e., at least six hours in length and conducted in a classroom setting) by a HUD approved agency or approved by the Neighborhood Services Division;



- May not currently own or have assets exceeding \$35,000 (monetary gifts and real estate are included in the asset calculation; retirement accounts are not);
- SHIP funds are reserved in the individual’s name for a six-month period, provided that available SHIP funds remain.

g. Sponsor Selection Criteria: N/A

h. Additional Information: New units constructed and existing homes must be located within the incorporated City limits of Delray Beach municipal boundaries. Applicants owing money to other assisted housing programs (such as Section 8 and public housing) are ineligible for SHIP assistance until they make restitution. The City of Delray Beach has established a maximum limit of 40% of gross monthly income on the housing expenses of SHIP assisted buyers.

B. Owner-Occupied Housing Rehabilitation	Code 3
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a. Summary: This strategy provides loans to rehabilitate existing owner-occupied single-family units including duplexes. Rehabilitation of units will address interior and exterior building/electrical/plumbing problems, health and safety issues, retrofit of items for those with special needs, upgrade major systems, and soft costs.

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

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

d. Maximum award: \$ 60,000

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred payment loan secured by a note and mortgage.
2. Interest Rate: 0 %
3. Years in loan term: \$5,000-30,000 -10-year term; \$30,001-60,000- 15-year term
4. Forgiveness: All loan awards will be forgiven at the end of the term.
5. Repayment: None required as long as the loan is in good standing.
6. Default: Repayment of the full loan award will be immediately due to the City in the event any “qualifying event(s)” occur prior to expiration of the note. If no “qualifying event(s)” occur prior to the expiration of the note, the loan is totally forgiven. Qualifying event(s) are considered to be:
 - sale of unit or transfer of title;
 - i. Transfers of title under the following circumstances shall be allowed, and are not subject to the restrictions included in this Covenant:
 - ii. Transfers by inheritance to the Unit Owner's surviving spouse, qualified domestic partner, or lineal descendants, or;
 - iii. Transfers of title to a spouse as part of a divorce decree, or to a qualified domestic partner as part of a court approved property settlement agreement; or



- iv. Acquisition of title or interest therein by an existing Unit Owner’s spouse if it is in conjunction with marriage of the Unit Owner and his/her spouse, or by an existing Unit Owner’s qualified domestic partner; or
 - the assisted homeowner fails to continuously occupy the home;
 - the unit is rented;
 - the unit is refinanced without prior authorization of the City;
 - Death of the homeowner. Assumable by an eligible heir living in the home

- f. Recipient Selection Criteria: Recipient must be income eligible as described in Section 1. (I) of the plan, applicants must meet the following selection criteria:
 - Applicants will be selected on a first qualified, first served basis;
 - Applicant may not currently own or have assets exceeding \$25,000 (monetary gifts and real estate are included in the asset calculation; retirement accounts are not);
 - Must be owner/occupant;
 - Mortgage payments and taxes must be current/paid up to date;
 - Must provide proof of current homeowner’s insurance (basic hazard; flood, if within FEMA flood zone).

- g. Sponsor Selection Criteria: N/A

- h. Additional Information:
 - The home must be located in the City’s municipal boundaries;
 - The appraised value of the home may not exceed the maximum sales price allowed in the SHIP program for existing units;
 - The property will be monitored annually by Housing Inspector for adherence of this responsibility.
 - In the case of default, income eligible heirs residing in the property can assume the City mortgage.
 - In the event the homeowner wishes to refinance his or her first mortgage or take out an equity loan to make repairs or improvements, the City has created an administrative policy pertaining to subordination requests.
 - Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are recaptured.

C. Disaster Relief	5
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a. Summary: In the event of a disaster (as declared by Executive Order of the President or Governor of FL), SHIP funds will be used to leverage available federal and state funds to provide assistance to income eligible households for the purpose of repairing eligible housing. Generally, such needs may include: purchase of emergency supplies for eligible households to weatherproof damaged homes, interim repairs to avoid further damage, tree and debris removal required to make individual housing units habitable, and post disaster assistance for non-insured repairs.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low, low and moderate



- d. Maximum award: \$15,000
- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Grant
 - 2. Interest Rate: N/A
 - 3. Years in loan term: N/A
 - 4. Forgiveness: N/A
 - 5. Repayment: N/A
 - 6. Default: N/A
- f. Recipient Selection Criteria: In addition to being income eligible as described above, applicants will be served on a first-qualified first-served basis, pending fund availability. Residence must be located within the municipal boundaries of Delray Beach. Priorities as described in Section 1 (I).
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: This strategy will be implemented only in the event of a disaster declaration using any SHIP funds that have not been encumbered.

D. Community Land Trust Homeownership	10
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a. Summary: This strategy assists eligible first-time homebuyers with the principal reduction for the construction/acquisition of new/existing single- family homes within the Community Land Trust inventory.	
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- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$75,000
- e. Terms:
 - 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 years (mortgage)
 - 4. Forgiveness: Forgiven at the end of the term.
 - 5. Repayment: None due as long as the loan is in good standing.
 - 6. Default: Qualifying Events shall be:
 - The Community Land Trust owner sells or transfers ownership of the property;
 - The unit is rented by homeowner without prior authorization from the Community Land Trust/City;
 - The unit is refinanced without prior authorization from the Community Land Trust/City;
 - The occupant fails to follow guidelines of the Community Land Trust/City.
 Such repaid funds will be utilized in accordance with the approved Local Housing Assistance Plan in effect at the time the funds are repaid.



- f. Recipient Selection Criteria: In addition to serving an income eligible applicant as described in the Purchase Assistant Strategy, applicants must meet the following selection criteria and will be selected:
- Applicants will be selected on a first qualified basis, first served basis
 - Must be first-time homebuyer(s), which is defined as one of the following:
 - someone who has not owned a home during the past three years;
 - a single parent who has been divorced and displaced within the 12-month period prior to time of application, and whose household includes children under the age of 18;
 - a displaced victim of domestic abuse within the 12-month period prior to time of application, and whose household includes children under the age of 18;
 - a person displaced as a result of a government action (other than eviction from public housing; and those who have special needs according to 420.0004 (13) F.S.
 - Must have a bank account.
 - Applicants must contribute a minimum of 5% of the purchase price toward the transaction (out-of-pocket expenses are included in this calculation).
 - Applicant must have an accepted/approved contract for a home and have applied for a first mortgage with a lender.
 - The applicant must have attended and completed an approved homebuyer education course (i.e., at least four hours in length and conducted in a classroom setting) approved by the Neighborhood Services Division.
 - SHIP funds are reserved in the individual’s name for a six-month period, provided that available SHIP funds remain.
- g. Sponsor/Sub-recipient Selection Criteria: Eligible sponsors will be selected via the City’s Request for Proposal (RFP) process and must meet the following selection criteria:
- Designated 501(c)(3) non-profit organization under IRS guidelines;
 - Legally operating Community Land Trust within the jurisdiction of the City of Delray Beach;
 - Has demonstrated track record and production experience in the construction and delivery of affordable housing;
 - Operating non-profit in partnership with the City of Delray Beach to participate and further its goals in the delivery of affordable housing to the City’s very-low, low- and moderate-income households.
- h. Additional Information: The subsidy will be required to be excluded from the applicant’s original purchase price in the re-sale formula and is to appear as a construction cost buy-down to maintain the unit’s affordability in perpetuity for a period of ninety-nine (99) years.

E. Foreclosure Assistance	7
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a. Summary: This strategy allocates payment assistance in the form of a deferred payment loan to any homeowner whose home is in the process of foreclosure due to extenuating circumstances.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$10,000



- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred, payment loan secured by a note and mortgage.
 2. Interest Rate: 0%
 3. Years in loan term: Five (5) years
 4. Forgiveness: Forgiven at the end of the term
 5. Repayment: None required as long as the loan is in good standing.
 6. Default: Repayment of the full loan award will be immediately due to the City in the event any “qualifying event(s)” occur prior to expiration of the note. Qualifying event(s) are considered to be:
 - sale of unit or transfer of title (except for major healthcare expenses or by inheritance);
 - the assisted homeowner fails to continuously occupy the home;
 - the unit is leased/rented without prior authorization of the City;
 - unit is refinanced without prior authorization of the City;
- f. Recipient Selection Criteria: In addition to serving an income eligible applicant as described in the Purchase Assistant Strategy, applicants must meet the following selection criteria:
1. Applicants will be selected on a first qualified, first-served basis
 2. Completion of foreclosure counseling through HUD approved counseling agency.
 3. Foreclosure applicants must show that the nonpayment of their mortgage is not through their own doing. Eligible reasons are:
 - Loss of employment;
 - Medical expenses;
 - Divorce or separation;
 - Death in the family;
 - Home repair bills.
- Applicants must also show that they will be able to keep the house out of default and must show they can make monthly mortgage payments. Additionally, eligibility for foreclosure assistance shall be done in an expedited manner and may include alternative forms of documentation, such as current pay stubs and benefit letters, as well as oral verification of employment wages, other income, and assets.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Leveraging may be used with this strategy; priority will be given to persons previously assisted with SHIP funds. In the event the homeowner wishes to refinance his or her first mortgage or take out an equity loan to make repairs or improvements, the City has created an administrative policy pertaining to subordination requests. Assessed value of home must be equal or less than SHIP purchase price limit.

F. Rental Assistance	13, 23
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a. Summary: This strategy provides funds that will be awarded to renter households that are in need of assistance for: (1) security deposit at initial occupancy or (2) eviction prevention not to exceed 6 months' rent. Lease term must be for one (1) year.

- 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:
 - 1. Repayment loan/deferred loan/grant: Grant
 - 2. Interest Rate: N/A
 - 3. Years in loan term: N/A
 - 4. Forgiveness: N/A
 - 5. Repayment: N/A
 - 6. Default: N/A
- f. Recipient Selection Criteria: Applicants will be selected on a first qualified, first-served basis. Applicants facing eviction must show that the nonpayment of the rent falls under the eligible reasons following:
 - 1. Loss of employment;
 - 2. Sudden medical expenses;
 - 3. Divorce or separation;
 - 4. Death in the family;

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

- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Leveraging may be used with this strategy; priority will be given to persons previously assisted with SHIP funds for eligible default reasons. May only be used once per applicant.

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.

Established policy and procedures:



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

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

- Contains at least 10 affordable units.

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

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

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

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

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

B. Name of the Strategy: Ongoing Review Process

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

Development Services (formerly Planning and Zoning Department) reviews all proposed new City policies or changes to the LDR’s to determine effects, if any, on the cost of housing. If it is determined that there is an impact, an analysis is prepared by appropriate department staff and



submitted to City Commission for review prior to its approval.

- C. Name of the Strategy: Impact Fees Requirements
An on-going process to allow for the payment of impact fees associated with new construction of affordable housing units.
 - a. Established policy and procedures:
The City has been unsuccessful in petitioning the County to waive impact fees associated with new construction of affordable housing units. The County does provide an impact fee credit for units built on a lot, which had a previous residential unit on the site. The Neighborhood Services staff provides the research on properties to identify these credits wherever possible. When no credit is applicable, the City may use SHIP funds to pay the impact fees.

- D. Name of the Strategy: Waiver of Building Permit Fees
An ongoing process for reducing the cost of building or rehabilitating affordable housing.
 - a. Established policy and procedures:
The City waives Permit Fees in accordance with LDR Section 2.4.3 (K)(8).

- E. Name of the Strategy: Allowance of Increased Density Levels
An ongoing process to review zoning regulations for the purpose of allowing increased density to encourage development of affordable housing unit.
 - a. Established policy and procedures:
The Housing Element of the City's Comprehensive Plan provide for increases to density when it can be demonstrated that such increases will lead to an affordable unit, provided that other policies of the Comprehensive Plan are met. The Land Development Regulations allow for increased densities in planned unit development on a case-by-case basis. In addition, flexible densities are allowable pursuant to the City's Workforce Housing Ordinance. This does not apply to in-fill housing and the lack of large vacant parcels which makes this incentive limited in its effect.

- F. Name of the Strategy: Reservation of Infrastructure Capacity
An ongoing process to provide for infrastructure improvements in deteriorating neighborhoods.
 - a. Established policy and procedures: Provide Description
Infrastructure facilities currently exist throughout the entire City. However, where there are visible signs of deterioration, Comprehensive Plan policy provides for prioritization in scheduling necessary improvements. As each year's infrastructure improvement schedule is prepared, priority is given to neighborhoods with concentrations of infrastructure deficiencies.

- G. Name of the Strategy: Reduction of Parking and Set-Back Requirements
An ongoing process to encourage development of affordable units by allowing for reduced parking and set back requirements
 - a. Established policy and procedures: Provide Description
Regulations require two parking spaces per dwelling unit beyond the required front yard set-back in Single Family Zoning Districts. As an incentive to affordable housing, one of the



required parking spaces may be located within the 25' front yard setback reducing haphazard street parking.”

- H. Name of the Strategy: Preparation of a printed inventory of locally owned public lands suitable for affordable housing. An ongoing process to identify land suitable for development of affordable housing.
 - a. Established policy and procedures: Provide Description
The Planning Department has compiled a complete list of City owned lands of 3 acres or more along with available single-family lots. The Community Redevelopment Agency maintains a list of vacant parcels, which they own or have under contract suitable for in-fill residential construction.
- I. Name of the Strategy: Reduction of Landscape Requirements
An ongoing process to encourage the development of affordable units by allowing for a reduction of the City's landscape requirements
 - a. Established policy and procedures: Provide Description
The current requirements at Section 4.6.16(H) for Single Family Housing is that 20% of all pervious lot area be planted in shrubs and ground cover and the remaining 80% of the area be planted in turf. In support of projects participating in the City's Affordable Housing Programs the requirements of the landscape code are reduced to allow for only 10% of the pervious single-family lot area be planted in shrubs and ground cover and that they be installed in the front and side setbacks. It is estimated that \$1,200 will be reduced from the cost of producing one unit.

IV. EXHIBITS:

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

City of Delray Beach

Fiscal Year: 2019-2020	
Estimated SHIP Funds for Fiscal Year:	\$ 87,747.00
Salaries and Benefits	\$ 7,547.00
Office Supplies and Equipment	\$
Travel Per diem Workshops, etc.	\$ 1,000.00
Advertising	\$ 200.00
Other*	\$
Total	\$ 8,747.00
Admin %	9.97%
	OK

Fiscal Year 2020-2021	
Estimated SHIP Funds for Fiscal Year:	\$ 87,747.00
Salaries and Benefits	\$ 7,547.00
Office Supplies and Equipment	\$
Travel Per diem Workshops, etc.	\$ 1,000.00
Advertising	\$ 200.00
Other*	\$
Total	\$ 8,747.00
Admin %	9.97%
	OK

Fiscal Year 2021-2022	
Estimated SHIP Funds for Fiscal Year:	\$ 87,747.00
Salaries and Benefits	\$ 7,547.00
Office Supplies and Equipment	\$
Travel Per diem Workshops, etc.	\$ 1,000.00
Advertising	\$ 200.00
Other*	\$
Total	\$ 8,747.00
Admin %	9.97%
	OK

*All "other" items need to be detailed here and are subject to review and approval by the SHIP review committee. Project Delivery Costs that are outside of administrative costs are not to be included here, but must be detailed in the LHAP main document.

Details:

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Exhibit B
Timeline for SHIP Expenditures

City of Delray Beach affirms that funds allocated for these fiscal years will
(local government)
meet the following deadlines:

Fiscal Year	Encumbered	Expended	1st Year AR	2nd Year AR	Closeout AR
2019-2020	6/30/2021	6/30/2022	9/15/2020	9/15/2021	9/15/2022
2020-2021	6/30/2022	6/30/2023	9/15/2021	9/15/2022	9/15/2023
2021-2022	6/30/2023	6/30/2024	9/15/2022	9/15/2023	9/15/2024

If funds allocated for these fiscal years is not anticipated to meet any of the deadlines in the table above, Florida Housing Finance Corporation will be notified according to the following chart:

Fiscal Year	Funds Not Encumbered	Funds Not Expended	1st Year AR Not Submitted	2nd Year AR Not Submitted	Closeout AR Not Submitted
2019-2020	3/30/2021	3/30/2022	6/15/2020	6/15/2021	6/15/2022
2020-2021	3/30/2022	3/30/2023	6/15/2021	6/15/2022	6/15/2023
2021-2022	3/30/2023	3/30/2024	6/15/2022	6/15/2023	6/15/2024

Requests for Expenditure Extensions (close-out year ONLY) must be received by FHFC by June 15 of the year in which funds are required to be expended. The extension request shall be emailed to robert.dearduff@floridahousing.org and terry.auringer@floridahousing.org and include:

1. A statement that "(city/county) requests an extension to the expenditure deadline for fiscal year _____.
2. The amount of funds that is not expended.
3. The amount of funds that is not encumbered or has been recaptured.
4. A detailed plan of how/when the money will be expended.

Note: an extension to the expenditure deadline (June 30) does not relieve the requirement to submit (September 15) the annual report online detailing all funds that have been expended. Please email terry.auringer@floridahousing.org when you are ready to "submit" the AR.

Other Key Deadlines:

AHAC reports are due for each local government the same year as the local government's LHAP being submitted. Local governments receiving the minimum or less allocation are not required to report.

**FLORIDA HOUSING FINANCE CORPORATION
HOUSING DELIVERY GOALS CHART
2019-2020**

Name of Local Government:			City of Delray Beach									
Estimated Funds (Anticipated allocation only):			\$ 87,747									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
1,2	Purchase Assistance	Yes			1	\$20,000			\$20,000.00	\$0.00	\$20,000.00	1
3	Owner-Occupied Rehabilitation	Yes	1	\$39,000					\$39,000.00	\$0.00	\$39,000.00	1
10	Community Land Trust Homeownership	Yes			1	\$20,000			\$20,000.00	\$0.00	\$20,000.00	1
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		1		2		0		\$79,000.00	\$0.00	\$79,000.00	3
Purchase Price Limits:			New	\$ 386,000	Existing	\$ 386,000						

OK OK

Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		0		0		\$0.00	\$0.00	\$0.00	0
	Administration Fees			\$ 8,747		10%		OK				
	Home Ownership Counseling			\$ -								
Total All Funds				\$ 87,747		OK						

Set-Asides

Percentage Construction/Rehab (75% requirement)		90.0%	OK
Homeownership % (65% requirement)		90.0%	OK
Rental Restriction (25%)		0.0%	OK
Very-Low Income (30% requirement)	\$ 39,000	44.4%	OK
Low Income (30% requirement)	\$ 40,000	45.6%	OK
Moderate Income	\$ -	0.0%	

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2020-2021												
Name of Local Government:			City of Delray Beach									
Estimated Funds (Anticipated allocation only):			\$ 87,747									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
1.2	Purchase Assistance	Yes			1	\$20,000			\$20,000.00	\$0.00	\$20,000.00	1
3	Owner-Occupied Rehabilitation	Yes	1	\$39,000					\$39,000.00	\$0.00	\$39,000.00	1
10	Community Land Trust Homeownership	Yes			1	\$20,000			\$20,000.00	\$0.00	\$20,000.00	1
									\$0.00	\$0.00	\$0.00	0
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									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		1		2			0	\$79,000.00	\$0.00	\$79,000.00	3
Purchase Price Limits:			New	\$ 386,000	Existing	\$ 386,000						

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									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		0		0		\$0.00	\$0.00	\$0.00	0
	Administration Fees		\$ 8,747		10%		OK					
	Home Ownership Counseling		\$ -									
Total All Funds			\$ 87,747		OK							

Set-Asides			
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FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2021-2022												
Name of Local Government:			City of Delray Beach									
Estimated Funds (Anticipated allocation only):			\$ 87,747									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
1,2	Purchase Assistance	Yes			1	\$20,000			\$20,000.00	\$0.00	\$20,000.00	1
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10	Community Land Trust Homeownership	Yes			1	\$20,000			\$20,000.00	\$0.00	\$20,000.00	1
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									\$0.00	\$0.00	\$0.00	0
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	Total Homeownership		1		2		0		\$79,000.00	\$0.00	\$79,000.00	3
Purchase Price Limits:			New	\$ 386,000	Existing	\$ 386,000						

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									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		0		0		\$0.00	\$0.00	\$0.00	0
	Administration Fees		\$ 8,747		10%		OK					
	Home Ownership Counseling		\$ -									
Total All Funds			\$ 87,747		OK							

Set-Asides			
Percentage Construction/Rehab (75% requirement)		90.0%	OK
Homeownership % (65% requirement)		90.0%	OK
Rental Restriction (25%)		0.0%	OK
Very-Low Income (30% requirement)	\$ 39,000	44.4%	OK
Low Income (30% requirement)	\$ 40,000	45.6%	OK
Moderate Income	\$ -	0.0%	

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

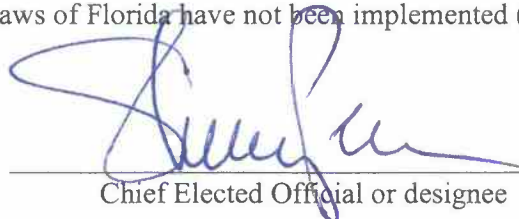
Local Government or Interlocal Entity: City of Delray Beach

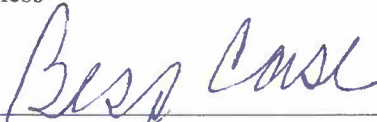
Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, 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, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.
- (7) The LHAP 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 LHAP.
- (8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.
- (9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.
- (10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements (CAFR). An electronic copy of the CAFR or a hyperlink to the document shall be provided to Florida Housing by June 30 of the applicable year.

- (12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.
- (13) SHIP funds will not be pledged for debt service on bonds.
- (14) Developers receiving assistance from both SHIP and the Low Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). 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.
- (17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.
- (18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).


Witness


Chief Elected Official or designee


Witness

Shelly Petrolia, Mayor
Type Name and Title

5/2/19
Date

OR


Attest:
(Seal)

RESOLUTION NO. 88-19

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE MAYOR 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, as required by *section 420.9075, F.S.*, it is found that five percent (5%) of the local housing distribution plus five percent (5%) 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 ten percent (10%) of the local housing distribution plus five percent (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 ten percent (10%) of program income for administrative costs.

WHEREAS, the Economic and Community Development 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 Delray Beach to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AS FOLLOWS:

Section 1. The City Commission of the City of Delray Beach hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for fiscal years FY2019-20, FY2020-21 and FY2021-22.

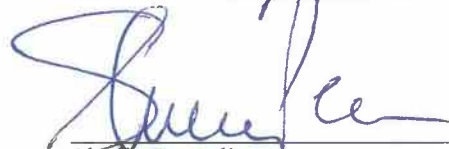
Section 2. The Mayor or his/her designee is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.

Section 3, This resolution shall take effect immediately upon its adoption.


PASSED AND ADOPTED in regular session on this 16th day of April, 2019.

ATTEST:


Katerri Johnson, City Clerk


Shelly Petrolia, Mayor

Approved as to Form and Legal Sufficiency:


Lynn Gelin, City Attorney

**CITY OF DELRAY BEACH
NEIGHBORHOOD SERVICES DIVISION**

Housing Programs Subordination Policy

A homeowner assisted by the City of Delray Beach, Neighborhood Services Division, Housing Programs (Programs) may not refinance his or her first mortgage or take out a second mortgage unless the City agrees to subordinate its second mortgage. The policy used by the City of Delray Beach regarding a subordination request is as follows:

- If the owner wants to refinance the first mortgage at a lower rate and/or for a shorter loan term, the City will subordinate if:
 - additional money isn't being borrowed (unless its for home repair or reasonable improvements)
 - the resulting housing cost (PITI) does not exceed the housing cost (PITI) calculation of the original loan
 - the new loan is for a fixed interest rate

- If the owner is taking out a second mortgage for necessary home repairs or reasonable improvements, the City will subordinate if:
 - the combined payments of the first and second mortgages do not exceed 35% of gross income
 - the loan is for a fixed interest rate

- The City will not subordinate its mortgage for owners attempting to obtain a line of credit or consolidate debt because this would enable them to increase their debt for purposes other than home improvement. The City maintains that:
 - Second mortgages are provided under the Programs to assist with homeownership
 - Forgivable loans are provided under the Programs for the exclusive purpose of rehabilitating, enhancing and/or preserving real estate

- The City does not support the owner using equity for any items other than the house itself. If the purpose of the new loan is for home repair or reasonable improvements, the need must be substantiated by an inspection of the property by a City of Delray Beach housing rehabilitation inspector and/or estimates for the proposed repairs furnished by the homeowner.

**CITY OF DELRAY BEACH
NEIGHBORHOOD SERVICES DIVISION**

Housing Programs Subordination Procedures

1. The party requesting the subordination must provide the City of Delray Beach Neighborhood Services Division the following information and documentation:
 - legal description of the property
 - copy of an appraisal of the property
 - copy of the title report conducted by the lender requesting the subordination
 - amount of equity in the home
 - copy of HUD-1 or other document that will provide loan disbursement information
 - resulting housing cost (PITI)
 - type of loan (fixed, variable, balloon, etc.) and interest rate
 - Subordination Agreement

2. The Neighborhood Services Division shall review the above information and, if the request adheres to City policy, present the Subordination Agreement to the City Attorney's Office for review. The Neighborhood Services Division shall place the subordination request on the Consent Agenda for the City Commission Meeting and send the Subordination Agreement to the City Clerk's Office for the Mayor's signature.

3. Once the subordination request is approved by the City Commission and the Subordination Agreement is signed by the Mayor, the Neighborhood Services Division shall follow through with the instructions provided by the lender as it relates to the mailing and/or faxing of the executed Subordination Agreement. The lender should provide the City with a recorded copy of the Subordination Agreement.