



City of Miami Beach

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2019-2020, 2020-2021, 2021-2022

MIAMIBEACH

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I. Program Details:

A. LG(s)

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

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 (the “Program”) is established in accordance with §420.907-9079, Florida Statutes and Chapter 67-37 of the 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.

In its efforts to expand affordable housing opportunities, the City of Miami Beach works to establish and build a relationship with a designated community-based housing provider.

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 City of Miami Beach is an Entitlement Community that receives Home Investment Partnership Program (HOME) and Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD), which are used in combination with other local funds, to leverage State Housing Initiatives Partnership (SHIP) funds to increase affordable housing opportunities and reduce the cost of housing in the City.

G. Public Input: Public input was solicited through the City’s website 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 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.



Additionally, the City's outreach efforts will include public workshops, special meetings with various human services agencies, the City's website, and social media, among others.

- 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:

Special Needs
Essential Services Personnel

- J. Discrimination:** In accordance with the provisions of §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.

Additionally, the City of Miami Beach Human Rights Ordinance, as codified in Chapter 62 of the City Code, prohibits discrimination in employment, housing, public accommodations, or public services, on the basis of actual or perceived race, color, national origin, religion, sex, intersexuality, sexual orientation, gender identity, familial and marital status, age, ancestry, height, weight, domestic partner status, labor organization membership, familial situation, political affiliation, or disability.

- K. Support Services and Counseling:** Support services are available from various community sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling and Transportation. This information will be provided to program applicants.
- 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 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 households as indicated in § 420.9071. However, it is not the intent to limit an individual household's ability



to devote more than 30% of its income for housing.

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:** If an eligible sponsor is used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed. This shall include 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 Program 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 30 years or the term of assistance whichever is longer unless as specified above.

Eligible sponsors that offer rental housing for sale before 30 years or that have remaining mortgages funded under the 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. If a foreclosure action is instituted against the Premises, or the Owner wishes to sell the Premises during the Affordability Period, the Owner shall give to the City, or its assignee, the first right to purchase the Premises (the "Right of First Refusal") at the current market value for continued occupancy by Program eligible persons.

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

§420.9075, Florida Statutes and Chapter 67-37, Florida Administrative Code, state: "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."

§420.9075, Florida Statutes 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	Income certification of applicants, annual reporting, fiscal	100%

	management, marketing and outreach.	
Third Party	N/A	

R. Project Delivery Costs: In addition to the administrative costs listed above, the City will charge reasonable project delivery costs to cover project estimates/construction estimates and project inspections, which will be performed by independent contractors for construction projects. The fee will not exceed \$5,000 and will be included in the loan amount, evidenced by a promissory note (“Note”), and secured by a recorded Mortgage and Security Agreement (“Mortgage”) and Declaration of Restrictive Covenants.

S. Essential Service Personnel Definition: “Essential Service Personnel” are defined as income-eligible employees of Miami Beach businesses and organizations in the following industries:

1. Educators and those employed in the education institutions; and
2. Artists and those employed in artist organizations; and
3. Accommodations and Food Services (including arts, entertainment, and recreation); and
4. Retail Trade; and
5. Public Administration (including City of Miami Beach employees); and
6. Healthcare; and
7. Skilled building trades; and
8. First Responders.

T. Describe efforts to incorporate Green Building and Energy Saving products and processes: The City is committed to making the housing stock more energy efficient. Therefore, the City will require the use of the following features when economically feasible in the construction/rehabilitation of homes:

1. Low or No-VOC paint for all interior walls (low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms- WaterSense labeled products or the following specifications:
Toilets: 1.28 gallons/ flush or less,
Urinals: 0.5 gallons/ flush,
Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
3. Energy Star certified refrigerator;
4. Energy Star certified dishwasher;
5. Energy Star certified ventilation fan in all bathrooms;
6. Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons= .95 EF or .92 UEF; or
 - More than 55 gallons= Energy Star certified; or
 - Tankless= Energy Star certified;
7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
8. Air conditioning (choose in-unit or commercial):
≥8.5 HSPF/ ≥15 SEER/ ≥12.5 EER for split systems
Central Air Conditioners- Energy Star certified:



≥15 SEER/ ≥12.5 EER for split systems

9. Efficient lighting on both the interior and exterior of homes; and
10. Caulk, weather-strip, or otherwise seal all holes, gaps, cracks, penetrations and electrical receptacles in building envelope; and
11. Insulate heating and cooling system ducts and seal airtight in accordance with §403.29 of the Florida Building Code-Energy Conservation.

U. Describe efforts to meet the 20% Special Needs set-aside: The City will add Special Needs qualification questions to its program eligibility application and utilize the City's various communications resources (including its website, Facebook, Twitter, and e-newsletter) to advise the community of this resources.

In addition, the Office of Housing and Community Services (City department responsible for SHIP Program administration) operates the Success University Program and the Parent Child Home Program. These programs are comprehensive family support programs that assist low-income families with various needs, including housing and food. The programs partner with more than 30 community-based human services and support agencies and offer an increased opportunity for identification and referral of eligible households.

The City also serves as a Department of Children and Families ACCESS Center and will provide referral information to households receiving SSI/ SSDI and other benefits.

V. Describe efforts to reduce homelessness: The Office of Housing and Community Services is the City department responsible for the Homeless Outreach Program. As such, it has direct contact with individuals who are homeless and living in the streets, as well as individuals/families that are facing the threat of homelessness. The City provides the following services: shelter beds, relocation services, identification document replacement services, and rent assistance to serve its homeless population. The current efforts balance accountability, compassion and efficacy while expecting the same from those the City serves.

Our community is one of the leaders in the County in its municipal efforts to address homelessness and curb its impacts. As one of only two municipal teams in the County, our City is the only municipality that staffs a Homeless Outreach Team (HOT) and operates a walk-in center. The City is leading local efforts to move away from the traditional case management model that centralizes services through a third party (not the client) to a care coordination model that empowers clients to take charge of their lives and creates the culture and skill-set to discourage the return to homelessness.

Rather than following, our community has chosen to take the lead in ending homelessness. The City has created a comprehensive homeless strategy that emphasizes personal accountability, intradepartmental collaboration and innovation that responds to our community's unique needs and assets while firmly founded upon compassion, integrity and efficacy. We have:

- Increased the number of shelter beds bought by the City and engaged more shelters to ensure that we can offer the appropriate, culturally-competent support to any homeless person seeking to end their homelessness.
- Expanded our outreach team from seven (7) staff members to 10 and rolled back our starting time to 7:30am to shorten the service time for those wishing to leave the streets behind.
- Created the Client Management Information System (CIMS) to document and track our engagement and service efforts with the homeless so that we build on our efforts without duplicating services while



simultaneously ensuring integrity and accountability in the use of City resources and expecting integrity and accountability in return from those who benefit from our services.

- Engaged members of the faith community to join our outreach team because sometimes what led to a person's homelessness cannot be fixed solely with the provision of a bed and food.
- Trained our emergency shelter partners on care coordination services so that clients take ownership of their personal success while having the supports and knowledge at their disposal to leave homelessness with an expectation – and the skills – not to return to the streets.
- The City is the only outreach team in the County that employs the homeless it places in shelter to serve as ambassadors to engage the homeless that remain on the streets. Through this program piloted in FY 16/17, the homeless are able to strengthen their engagement skills and transition back into an employment culture while looking for full-time employment and earning much-needed money to buy interview clothes and personal items. In turn, the City obtains the insight and knowledge base familiar with living in the streets and identifies the places and mindsets of those who remain for us to engage. This win/win model has also succeeded in shortening the length of time between placement in shelter and the securing of permanent employment.
- Encouraged intradepartmental collaboration between Police and HOT so that the first approach to those who are breaking our laws because they see themselves as homeless is to offer them shelter and the opportunity to end their homelessness -- rather than encourage a passive acceptance of their circumstances as an intractable fate.

It is worth noting that, since implementing our current strategies, we have eliminated the running shelter waitlist the Administration inherited. Our processes emphasize personal responsibility and provide the tools for independence while moving away from a traditional welfare-dependent model that fails to address the factors that led to homelessness. Working in conjunction with other agencies providing certain support services, there is an opportunity to identify households which may be assisted through participation in the SHIP Program; especially those households being provided with employment and credit repair assistance.

Section II. LHAP Strategies:

A. Owner-Occupied Rehabilitation	Code 3
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- a. Summary:** Rehabilitation/Repair of single-family (including condominiums), owner-occupied housing. "Rehabilitation" will be defined as repairs or improvements that are needed for safe or sanitary habitation, correction of substantial code violations, structural or systems faults, or the creation of additional living space. Cosmetic items may be included on projects if funds are available after completing all required repairs.

- b. Fiscal Years Covered:** 2019-2020, 2020-2021, and 2021-2022
- c. Income Categories to be served:** Extremely low-, Very low-, low- and moderate-income households
- d. Maximum Award:** \$ 70,000
- e. Terms**
- 1. Loan/Deferred Loan/Grant:** Funds will be awarded as a deferred payment loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and a Declaration of

Restrictive Covenants, delineating the recapture period and terms.

2. **Interest Rate:** 0%
3. **Loan Term:** Fifteen (15) years
4. **Forgiveness:** The loan will be forgiven at the end of the term.
5. **Repayment:** None required as long as the loan is in good standing.

6. Default: Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and payable if any of the following occurs during the Affordability Period: (a) the property is: (i) rented; (ii) sold or transferred, by operation of law or otherwise (except as to an approved Program eligible heir); or (iii) encumbered (voluntary or otherwise), mortgaged or refinanced (except as to a senior mortgage, for improved payment terms) without the written consent of the City Manager, or (b) borrower/owner fails to occupy the property as a primary home. Once due, the total loan amount shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy probate or any other proceedings at law or in equity.

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

If the owner sells or transfers the property during the Affordability Period, the City shall be given the first right to purchase the property based upon the same material terms being offered to the owner (the "Right of First Refusal").

The owner will be allowed to refinance a senior mortgage without having to pay off the City's loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

In the event that title to the property is transferred by the death of the owner to a surviving heir, and said heir occupies the property as a principal residence, within six (6) months from the date of the owner's death and meets the SHIP Program eligibility requirements, as determined by the City Manager, in his reasonable discretion, the City will approve the transfer.

- f. **Recipient Selection Criteria:** Applicants will be selected from a waiting list on a first-qualified, first-served basis. Special Needs households will be given priority funding until the City fulfills the minimum SHIP Program requirements for assistance to this target population.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

B. Disaster Repair	Code 5
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a. Summary: Emergency Assistance to eligible households after the occurrence of a disaster declared by Executive Order (President of the United States or Governor of the State of Florida). In the event of a disaster, the City will commit available unencumbered SHIP funds, as well as other disaster funds that may become available through the Florida Housing Finance Corporation or any other emergency funding sources. Disaster funds may be used for, but not limited to, the following:

1. Home Repair

- 1) Purchase of emergency supplies; weatherproofing a damaged home;
- 2) Interim repairs to prevent further damage; tree and debris removal to make the housing unit habitable;

3) Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies; and

4) Other activities as proposed by the Federal Government, counties and eligible municipalities and approved by Florida Housing Finance Corporation.

2. Mortgage and Rent Assistance

3 months of rent and mortgage payments for households affected by a disaster.

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

c. Income Categories to be served: Extremely low-, Very low-, low- and moderate-income households

d. Maximum award: 1. Home Repair \$40,000 2. Mortgage and Rent Assistance \$5,000

e. Terms:

1. Home Repair

1. Loan/Deferred Loan/Grant: Funds will be awarded as a deferred payment loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and a Declaration of Restrictive Covenants, delineating the recapture period and terms.

2. Interest Rate: 0%

3. Loan Term: Fifteen (15) years

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

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

6. Default: Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and payable if any of the following occurs during the Affordability Period: (a) the property is: (i) rented; (ii) sold or transferred, by operation of law or otherwise (except as to an approved Program



eligible heir); or (iii) encumbered (voluntary or otherwise), mortgaged or refinanced (except as to a senior mortgage, for improved payment terms) without the written consent of the City Manager, or (b) borrower/owner fails to occupy the property as a primary home. Once due, the total loan amount shall accrue interest at the rate of twelve percent (12%) per annum (“Default Interest Rate”) from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy, probate or any other proceedings at law or in equity.

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

If the owner sells or transfers the property during the Affordability Period, the City shall be given the first right to purchase the property based upon the same material terms being offered to the owner (the “Right of First Refusal”).

The owner will be allowed to refinance a senior mortgage without having to pay off the City’s loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

In the event that title to the property is transferred by the death of the owner to a surviving heir, and said heir occupies the property as a principal residence, within six (6) months from the date of the owner’s death and meets the SHIP Program eligibility requirements, as determined by the City Manager, in his reasonable discretion, the City will approve the transfer.

2. Mortgage and Rent Assistance

1. Loan/deferred loan/grant: Funds will be awarded as a grant
2. Interest Rate: N/A
3. Term: N/A
4. Forgiveness/Repayment: N/A
5. Default/Recapture: N/A

f. Recipient Selection Criteria: Applicants will be selected from a waiting list on a first-qualified, first-served basis. Special Needs households will be given priority funding until the City fulfills the minimum SHIP Program requirements for assistance to this target population.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

C. New Construction	Code 10
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a. Summary: To develop homeownership opportunities to assist eligible buyers to purchase affordable housing in Miami Beach. Funds will be provided to developers to be used to finance the costs associated with site acquisition/development, and hard and soft construction costs. The property must be sold to an income-eligible homebuyer. Upon sale, the SHIP Program funding obligations will be passed on to the homebuyer.

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

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

d. Maximum award: \$40,000

e. Terms:

1. Loan/Deferred Loan/Grant: Funds will be awarded as a deferred loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and Declaration of Restrictive Covenants, delineating the recapture period and terms.

2. Interest Rate: 0%

3. Loan Term: Fifteen (15) years

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

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

6. Default: Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and payable if any of the following occurs during the Affordability Period: (a) the property is: (i) rented; (ii) sold or transferred, by operation of law or otherwise (except as to a Program eligible heir residing on the property); or (iii) encumbered (voluntary or otherwise), mortgaged or refinanced (except as to a senior mortgage, for improved payment terms), or (b) borrower/owner fails to occupy the property as a primary home. Upon the occurrence of a default, the total loan amount shall become due and owing and shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy probate or any other proceedings at law or in equity.

If the owner sells or transfers the property during the Affordability Period, the City shall be given the first right to purchase the property based upon the same material terms being offered to the owner (the "Right of First Refusal"). If the City does not exercise the Right of First Refusal within 60 days, the owner may proceed to sell the property. Upon the sale or transfer of the property, the owner will be required to pay the City a share of the profit realized from the sale or transfer of the property ("Profit Recapture Provision"), as follows: **If the sale or transfer occurs between the first and fifth year, the City shall be paid a percentage of the profit, based upon the percentage of the City's contribution to the purchase of the property; to wit: if the sales price for the property was \$100,000 and the City provided a \$50,000 mortgage, the City shall be paid 50% of the profit; if the sale or transfer occurs between the sixth and**



tenth year, the City shall be paid fifty percent (50%) of the profit; and if the sale or transfer occurs between the eleventh and fifteenth year, the City shall be paid twenty-five percent (25%) of the profit.

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

The owner will be allowed to refinance a senior mortgage without having to pay off the City's loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

In the event that title to the property is transferred by the death of the owner to a surviving heir, and said heir occupies the property as a principal residence, within six (6) months from the date of the owner's death and meets the SHIP Program eligibility requirements, as determined by the City Manager, in his reasonable discretion, the City will approve the transfer.

f. **Recipient Selection Criteria:** Applicants will be selected from a waiting list on a first-qualified, first-served basis. Special Needs households will be given priority funding until the City fulfills the minimum SHIP Program requirements for assistance to this target population.

g. **Sponsor Selection Criteria:** N/A

h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

D. Purchase Assistance with Rehab	Code 1
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<p>a. Summary: Down payment, closing cost and rehabilitation assistance for the purchase of new or existing housing, and the rehabilitation of those properties, for first-time homebuyers. A first-time homebuyer is defined as a purchaser that has not owned a home in at least the last three (3) years.</p>

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

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

d. **Maximum award:**

1. \$50,000 (Moderate-Income)
2. \$100,000 (Low and Very Low-Income)
3. \$150,000 (Extremely Low-Income)

e. **Terms**

1. **Loan/Deferred Loan/Grant:** Funds will be awarded as a deferred loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and Declaration of Restrictive Covenants, delineating the recapture period and terms.

2. **Interest Rate:** 0%
3. **Loan Term:** Fifteen (15) years
4. **Forgiveness:** The loan will be forgiven at the end of the term.
5. **Repayment:** None required as long as the loan is in good standing.
6. **Default:** Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and payable if any of the following occurs during the Affordability Period: (a) the property is: (i) rented; (ii) sold or transferred, by operation of law or otherwise (except as to a Program eligible heir residing on the property); or (iii) encumbered (voluntary or otherwise), mortgaged or refinanced (except as to a senior mortgage, for improved payment terms), or (b) borrower/owner fails to occupy the property as a primary home. Upon the occurrence of a default, the total loan amount shall become due and owing and shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy probate or any other proceedings at law or in equity.

If the owner sells or transfers the property during the Affordability Period, the City shall be given the first right to purchase the property based upon the same material terms being offered to the owner (the "Right of First Refusal"). If the City does not exercise the Right of First Refusal within 60 days, the owner may proceed to sell the property. Upon the sale or transfer of the property, the owner will be required to pay the City a share of the profit realized from the sale or transfer of the property ("Profit Recapture Provision"), as follows: **If the sale or transfer occurs between the first and fifth year, the City shall be paid a percentage of the profit, based upon the percentage of the City's contribution to the purchase of the property; to wit: if the sales price for the property was \$100,000 and the City provided a \$50,000 mortgage, the City shall be paid 50% of the profit; If the sale or transfer occurs between the sixth and tenth year, the City shall be paid fifty percent (50%) of the profit; and if the sale or transfer occurs between the eleventh and fifteenth year, the City shall be paid twenty-five percent (25%) of the profit.**

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

The owner will be allowed to refinance a senior mortgage without having to pay off the City's loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

In the event that title to the property is transferred by the death of the owner to a surviving heir, and said heir occupies the property as a principal residence, within six (6) months from the date of the owner's death and meets the SHIP Program eligibility requirements, as determined by the City Manager, in his reasonable discretion, the City will approve the transfer.

- f. **Recipient Selection Criteria:** Applicants will be selected from a waiting list on a first-qualified, first-served



basis. Special Needs households will be given priority funding until the City fulfills the minimum SHIP Program requirements for assistance to this target population.

- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

E. Demolition/ Reconstruction	Code 4
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<p>a. Summary: Funds will be awarded to assist households when the cost of repairing the home exceeds fifty (50) percent of the current property appraised value.</p>
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- b. **Fiscal Years Covered:** 2019-2020, 2020-2021, and 2021-2022
- c. **Income Categories to be served:** Extremely low, Very low-, low- and moderate-income households
- d. **Maximum Award:** \$70,000
- e. **Terms:**
 - 1. **Loan/Deferred Loan/Grant:** Funds will be awarded as a deferred Loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and a Declaration of Restrictive Covenants, delineating the recapture period and terms.
 - 2. **Interest Rate:** 0%
 - 3. **Loan Term:** Fifteen (15) years
 - 4. **Forgiveness:** The loan will be forgiven at the end of the term.
 - 5. **Repayment:** None required as long as the loan is in good standing.
 - 6. **Default/Recapture:** Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and payable if any of the following occurs during the Affordability Period: (a) the property is: (i) rented; (ii) sold or transferred, by operation of law or otherwise (except as to a Program eligible heir residing on the property); or (iii) encumbered (voluntary or otherwise), mortgaged or refinanced (except as to a senior mortgage, for improved payment terms), or (b) borrower/owner fails to occupy the property as a primary home. Upon the occurrence of a default, the total loan amount shall become due and owing and shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy probate or any other proceedings at law or in equity.

If the owner sells or transfers the property during the Affordability Period, the City will be given the



first right to purchase the property based upon the same material terms being offered to the owner (the “Right of First Refusal”).

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

The owner will be allowed to refinance a senior mortgage without having to pay off the City’s loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

In the event that title to the property is transferred by the death of the owner to a surviving heir, and said heir occupies the property as a principal residence, within six (6) months from the date of the owner’s death and meets the SHIP Program eligibility requirements, as determined by the City Manager, in his reasonable discretion, the City will approve the transfer.

f. Recipient Selection Criteria: Applicants will be selected from a waiting list on a first-qualified, first-served basis. Special Needs households will be given priority funding until the City fulfills the minimum SHIP Program requirements for assistance to this target population.

g. Sponsor/Sub-recipient Selection Criteria: N/A

h. Additional Information: Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

G. Foreclosure Prevention	Code 7
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a. Summary: Funds will be provided to assist qualified homeowners with retaining their home and preventing foreclosure action of their first mortgage. Applicants must be delinquent at least two full monthly mortgage payments, in receipt of a letter from the mortgage notifying the applicant of delinquency and/or intent to foreclose. Eligible expenses include delinquent mortgage payments (principal, interest, taxes and insurance), special assessment fees from condominium and/or neighborhood associations, late fees and other customary fees associated with delivery costs (but excluding brokerage fees.)

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

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

d. Maximum award: \$15,000

e. Terms:

1. Loan/Deferred Loan/Grant: Funds will be awarded as a deferred payment loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and a Declaration of Restrictive Covenants, delineating the recapture period and terms.

2. **Interest Rate:** 0%
3. **Loan term:** Fifteen (15) Years
4. **Forgiveness:** The loan will be forgiven at the end of the term.
5. **Default/Recapture:** Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and owing if any of the following occurs during the Affordability Period: (a) the property is: (i) rented; (ii) sold or transferred, by operation of law or otherwise (except as to a Program eligible heir residing on the property); or (iii) encumbered (voluntary or otherwise), mortgaged or refinanced (except as to a senior mortgage, for improved payment terms), or (b) borrower/owner fails to occupy the property as a primary home. Upon the occurrence of a default, the total loan amount shall become due and owing and shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants terminates automatically upon the sale of the property pursuant to a mortgage foreclosure proceeding filed by a senior mortgage holder.

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

If the owner sells or transfers the property during the Affordability Period, the City shall be given the first right to purchase the property based upon the same material terms being offered to the owner (the "Right of First Refusal").

The owner will be allowed to refinance a senior mortgage without having to pay off the City's loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

In the event that title to the property is transferred by the death of the owner to a surviving heir, and said heir occupies the property as a principal residence, within six (6) months from the date of the owner's death and meets the SHIP Program eligibility requirements, as determined by the City Manager, in his reasonable discretion, the City will approve the transfer.

- f. **Recipient Selection Criteria:** Applicants will be selected from a waiting list on a first-qualified, first-served basis. Special Needs households will be given priority funding until the City fulfills the minimum SHIP Program requirements for assistance to this target population.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

H. Land Acquisition	Code 20
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- a. Summary:** Funds will be provided to for-profit and non-profit developers to be used to finance the costs of acquisition and/or the hard and soft costs of rehabilitating multi-family buildings. Funds will also be utilized for the acquisition and/or rehabilitation of multi-family buildings owned and operated by the City.
- b. Fiscal Years Covered:** 2019-2020, 2020-2021, and 2021-2022
- c. Income Categories to be served:** Extremely low-, Very low-, low- and moderate-income households
- d. Maximum award:** \$ 40,000 per unit, \$400,00 per project.
- e. Terms as to developer acquisitions or rehabilitations:**
- 1. Loan/deferred loan/grant:** Funds will be awarded as a deferred payment loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and a Declaration of Restrictive Covenants, delineating the recapture period and terms.
 - 2. Interest Rate:** 0%
 - 3. Loan term:** Thirty (30) Years
 - 4. Forgiveness:** The loan will be forgiven at the end of the Affordability Period.
 - 5. Repayment:** None required as long as the loan is in good standing.
 - 6. Default/Recapture:** Pursuant to the Declaration of Restrictive Covenants, the total loan amount will become due and owing if the property is mortgaged, sold or transferred, or the property fails to be used for affordable housing during the Affordability Period. For properties owned by developers, where funding was provided for acquisition, the City may impose a reverter provision at the end of the term, when the property is not subject to any limitations by superior lienholders, if it is found to be in the best interest of City to maintain the affordable housing beyond the Affordability Period when the developer is converting the project to market rate development. The reverter clause may not be imposed if the recipient volunteers to keep a negotiated percentage of the units affordable to very low, low and moderate-income households. Upon the occurrence of a default, the total loan amount shall become due and owing and shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy probate or any other proceedings at law or in equity.

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

If owner sells or transfers the property during the Affordability Period, the City shall be given the first



right to purchase the property based upon the same material terms being offered to the owner (the “Right of First Refusal”).

The owner will be allowed to refinance a senior mortgage without having to pay off the City’s loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

- f. **Recipient Selection Criteria:** All tenants of properties assisted with SHIP funds must meet the eligibility requirements as stipulated in the applicable Florida Statutes, SHIP Rule, and this Plan on a first qualified, first served basis.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits. With respect to acquisitions or rehabilitations for City-owned facilities, the City will execute and record a Declaration of Restrictive Covenants, restricting the use of the property for affordable housing during the Affordability Period.

I. Rental Development	Code 14
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<p>b. Summary: Funds will be provided to for-profit and non-profit developers to be used to finance the costs of acquisition and/or the hard and soft costs of rehabilitating multi-family buildings. Funds will also be utilized for the acquisition and/or rehabilitation of multi-family buildings owned and operated by the City.</p>
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- b. **Fiscal Years Covered:** 2019-2020, 2020-2021, and 2021-2022
- c. **Income Categories to be served:** Extremely low, Very low-, low- and moderate-income households
- d. **Maximum award:** \$40,000 per unit/ \$400,000 per property
- e. **Terms as to Developer Acquisitions or Rehabilitations:**
 - 1. **Loan/deferred loan/grant:** Funds will be awarded as a deferred payment loan, evidenced by a Note, and secured by a subordinate (unless the City is the sole lender) Mortgage and a Declaration of Restrictive Covenants, delineating the recapture period and terms.
 - 2. **Interest Rate:** 0%
 - 3. **Loan term:** Thirty (30) Years
 - 4. **Forgiveness:** The loan is forgiven at the end of the term.
 - 5. **Repayment:** None required as long as the loan is in good standing.



6. Default/Recapture: Pursuant to the Declaration of Restrictive Covenants, the total loan amount shall become due and owing if the property is sold or transferred, mortgaged or the property fails to be used for affordable housing during the Affordability Period. For properties owned by developers, where funding was provided for acquisition, the City may impose a reverter provision at the end of the term, when the property is not subject to any limitations by superior lienholders, if it is found to be in the best interest of City to maintain the affordable housing beyond the Affordability Period when the developer is converting the project to market rate development. The reverter clause may not be imposed if the recipient volunteers to keep a negotiated percentage of the units affordable to very low, low and moderate-income households. Upon the occurrence of a default, the total loan amount shall become due and owing and shall accrue interest at the rate of twelve percent (12%) per annum ("Default Interest Rate") from the due date until paid. The Declaration of Restrictive Covenants survives any proceedings in foreclosure, bankruptcy probate or any other proceedings at law or in equity.

In the event that a foreclosure proceeding is commenced against the property by a senior 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.

If owner sells or transfers the property during the Affordability Period, the City shall be given the first right to purchase the property based upon the same material terms being offered to the owner (the "Right of First Refusal").

The owner will be allowed to refinance a senior mortgage without having to pay off the City's loan, so long as the new loan amount does not exceed the then outstanding balance of the senior mortgage (without additional cash out) and will serve to lower the mortgage payment and/or interest rate.

- f. **Recipient Selection Criteria:** All tenants of properties assisted with SHIP funds must meet the eligibility requirements as stipulated in the applicable Florida Statutes, SHIP Rule, and this Plan on a first qualified, first served basis.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Assisted properties must be located within the City of Miami Beach corporate limits.

With respect to acquisitions or rehabilitations for City-owned facilities, the City will execute and record a Declaration of Restrictive Covenants, reflecting that the property has to remain for use as affordable housing during the Affordability Period.

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:

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:

C. Other Incentive Strategies Adopted: **Affordable Housing Unit Size and Parking Requirements, Ordinance No. 2017-4148**

The reduction of parking requirements for new construction or rehabilitated housing units for low- and/ or moderate-income housing for elderly and non-elderly persons.

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. Mortgage Agreement/ Promissory Note/ Restrictive Covenant
- H. Procurement Policy
- I. Affordable Housing Statute