



MIAMIBEACH

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**CITY OF MIAMI BEACH 2013 LHAP FINAL**

**FISCAL YEARS COVERED**

2013/2014, 2014/2015 and 2015/2016

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**I. PROGRAM DESCRIPTION:**

**A. Name of the Participating Local Government and Interlocal (if Applicable):**

CITY OF MIAMI BEACH

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

**B. Purpose of the Program:**

Creation of the Plan is for the purpose of meeting the housing needs of very low, low, and moderate-income households; to expand production of and preserve affordable housing; and to further the housing element of the Miami Beach Comprehensive Plan specific to affordable housing.

**C. Fiscal years covered by the Plan:**

2013/2014

2014/2015

2015/2016

**D. Governance:**

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37 Florida Administrative Code. The SHIP Program does further the housing element of the City of Miami Beach Comprehensive Plan. Cities and Counties must at all times be in compliance with these applicable statutes and rules.

**E. Local Housing Partnership:**

SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

The City of Miami Beach works closely with its designated Community Housing Development Organization (CHDO) in its efforts to expand affordable housing opportunities.

**F. Leveraging:**

The Plans are intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing.

The City of Miami Beach is an Entitlement Community which receives HOME and CDBG funds from the U.S. Department of Housing and Urban Development (HUD) that will be used, in combination with other local funds, to leverage SHIP funds to increase affordable housing opportunities and reduce the cost of housing in the City.

**G. Public Input:**

Public input was solicited through face to face meetings with housing providers, social service providers, local lenders and neighborhood associations through public meetings. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability (NOFA)/Request for Applications (RFA), as appropriate.

**H. Advertising and Outreach:**

The City advertises the notice of funding availability for SHIP funds 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.

**I. Discrimination:**

In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

**J. Support Services and Counseling:**

Support services are available from various sources. Available support services may include, but are not limited to:

- Homeownership counseling (pre and post)
- Credit counseling
- Legal counseling
- Tenant counseling
- Fair housing

Note: All sponsors receiving SHIP Program funds will be required to offer Home Ownership Training to prospective homebuyers. Such training will assist and prepare homebuyers for the acquisition and ownership of a home. Counseling services will be provided on a group and individual basis covering the following topics: the home buying process; finding money for a down-payment; dealing with financial crisis; how to set up a budget; the importance of good credit; dispute resolution; and how to maintain a home. Home Ownership Training must meet the standards set by U.S. HUD.

**K. Purchase Price Limits:**

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 any other independent study.

The methodology used is:

Independent Study (copy attached)

U.S. Treasury Department

Bond Study Numbers provided by Florida Housing Finance Corporation

The purchase price limit for new and existing homes: **\$391,153**

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

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. Income eligibility will be defined as follows: Very Low Income (up to 50% AMI), Low Income (up to 80% AMI), and Moderate Income (up to 120% AMI). Affordable, means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), F.S.

However it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and, in the case of rental housing, does not exceed those rental limits adjusted for bedroom size.

**M. Welfare Transition Program:**

The City has developed a qualification system and selection criteria for applications for awards to eligible sponsors, which includes a description that demonstrates how eligible sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process.

**N. Monitoring and First Right of Refusal:**

In the case of rental housing, the staff or entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides the same monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant, in the original amount of \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored at least annually for 15 years or the term of assistance, whichever is longer.

Eligible sponsors that offer rental housing for sale before 15 years or that have other remaining mortgages funded under the SHIP 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.

**O. Administrative Budget:**

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as Exhibit A. These are presented on an annual basis for each State fiscal year submitted.

The City finds that the monies deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. In accordance with Chapter 67-37, Florida Administrative Code, the cost of administering the plan does not exceed 5 percent of the local housing distribution monies and program income deposited into the trust fund.

The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.

The City of Miami Beach has adopted the above findings in the attached Resolution, Exhibit E.

**P. Program Administration:**

Administration of the Local Housing Assistance Plan is the responsibility of the City of Miami Beach. The Office of Real Estate, Housing & Community Development is the City department responsible for carrying out the strategies under the SHIP Local Housing Assistance Plan.

The City may use a sponsor to carry out program activities. In order to identify a sponsor, the City will issue a Competitive Notice of Funding Availability (NOFA) or Request for Applications (RFA) to solicit administrative services from not-for-profit and for-profit builders/developers to participate in the program. Through this process, the City will ascertain the highest and best use of the funds in accordance with the guidelines outlined in this Plan. Selection criteria will include, but may not be limited to:

- (1) Experience in providing strong construction management practices, quality workmanship, and quality materials
- (2) Experience in performing all applicant selection and income certification processes in accordance with local, state, and federal regulations
- (3) Experience in government reporting compliance
- (4) Total project cost
- (5) Total number of units
- (6) Leveraging
- (7) Experience in providing homeowners with HUD-Certified Homeownership Training/Counseling
- (8) Preference will be given to eligible sponsors that employ staff from the Welfare Transition Program

The Office of Real Estate, Housing and Community Development will review all responses to the NOFA/RFA to ensure compliance with the outlined requirements; as well as compliance with Florida Statutes and Administrative Code, the SHIP Ordinance, Resolutions and this Plan. All eligible applications will be submitted to the City's Loan Review Committee. The Committee will review all applications in accordance with the criteria as outlined in the NOFA/RFA.

**Q. Essential Service Personnel**

In accordance with Rule Chapter 67-37.002(8) F.A.C. and Chapter 67-37.005(8), F.A.C. and Section 420.9075(3)(a) FS, "Essential Service Personnel" are defined as income-eligible employees of Miami Beach businesses and organizations in the following industries:

- a. Accommodations and Food Services (including arts, entertainment and recreation);
- b. Retail Trade;
- c. Public Administration (including City of Miami Beach employees);
- d. Health Care; and
- e. Education (including public school district employees).

**R. Initiatives for Green Building Design and Techniques**

In accordance with Section 420.9075(3)(d) the City of Miami Beach 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 rehabilitation or constructing of homes:

- a. Water conserving appliances and fixtures (toilets, showerheads, faucets)
- b. Energy Star appliances
- c. Efficient lighting on both interior and exterior
- d. Upgrading of insulation materials (attics, walls, roofing)
- e. Tankless water heaters
- f. Air conditioning with higher SEER rating



## II. LHAP HOUSING STRATEGIES:

### A. Housing Rehabilitation:

- a. **Summary of the Strategy:** Rehabilitation of single family, owner-occupied housing.

The Program will provide rehabilitation assistance to very low, low, and moderate-income owner-occupied single family housing located within the corporate limits of the City of Miami Beach. Up to fifty (50) percent of the funds will be targeted to assist Program participants who are Essential Service Personnel, as defined on Section I (Q) of this Plan. If the demand for assistance from this target population is not sufficient to fully utilize these funds, the balance of the funds will be used to assist participants who are not from the target group.

“Rehabilitation” will be defined as repairs or improvements that are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space. Housing rehabilitated with SHIP funds must meet all applicable local codes, rehabilitation standards and ordinances, including, but not limited to, Florida Building Code, Miami-Dade County Building Code, and City of Miami Beach Building Code. Additionally, all projects must comply with all other applicable laws, rules and regulations.

- b. **Fiscal Years Covered:** 2013/2014, 2014/2015 and 2015/2016
- c. **Income Categories to be served:** Eligible persons/households that are very low, low, or moderate income. See also Section I (L) of this Plan.
- d. **Maximum award:**  
~~\$70,000~~ \$40,000
- e. **Terms, Recapture and Default:** Fifteen (15) year deferred, forgivable loan, at zero percent (0%) interest. The loan will be forgiven at the end of the term. Full balance due if property is sold, rented, refinanced or the property fails to be the owner’s primary residence during the fifteen year term. Notwithstanding the previous restrictions, the owner shall be allowed to refinance without being subject to the provisions set forth therein, so long as the amount of the refinancing does not exceed the then outstanding balance of the first mortgage. Subordination will only be approved if the refinancing will lower the current mortgage payment and/or interest rate.

The City's interests will be secured through the execution of a subordinate mortgage and note as well as a Restrictive Covenant delineating the recapture period and terms.

- f. **Recipient Selection Criteria:** All recipients of assistance must meet the applicable eligibility requirements as stipulated in the Florida Statutes, SHIP Rule, and this Plan. Applicants will be selected from a waiting list on a first come, first ready basis.
- g. **Sponsor Selection Criteria:** See Section I (P) of this Plan.
- 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 Mitigation Recovery:**

- a. **Summary of the Strategy:** 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) 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.

- b. **Fiscal Years Covered:** 2013/2014, 2014/2015 and 2015/2016
- c. **Income Categories to be served:** Eligible persons/households that are very low, low, or moderate income. See also Section I (L) of this Plan.
- d. **Maximum award:**  
\$40,000

- e. **Terms, Recapture and Default:** Fifteen (15) year deferred, forgivable loan, at zero percent (0%) interest. The loan will be forgiven at the end of the term. Balance due if property is sold, rented, refinanced or the property fails to be the owner's primary residence during the fifteen year term. Notwithstanding the previous restrictions, the owner shall be allowed to refinance without being subject to the provisions set forth therein so long as the amount of the refinancing does not exceed the then outstanding balance of the first mortgage. Subordination will only be approved if the refinancing will lower the current mortgage payment and/or interest rate.

The City's interests will be secured through the execution of a subordinate mortgage and note as well as a Restrictive Covenant delineating the recapture period and terms.

- f. **Recipient Selection Criteria:** All recipients of assistance must meet the applicable eligibility requirements as stipulated in the Florida Statutes, SHIP Rule, and this Plan. Applicants will be selected from a waiting list on a first come, first ready basis.
- g. **Sponsor Selection Criteria:** See Section I (P) of this Plan.
- 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:**

- a. **Summary of the Strategy:** 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 development, and hard and soft construction costs.
- b. **Fiscal Years Covered:** 2013/2014, 2014/2015 and 2015/2016
- c. **Income Categories to be served:** Eligible persons/households that are very low, low, or moderate income. See Section I (L) of this Plan.
- d. **Maximum award:**  
\$40,000
- e. **Terms, Recapture and Default.** Deferred payment, zero percent (0%) interest, construction loan to the developer. No payments will be required during the construction phase. Once construction is completed and the unit(s) is sold the SHIP subsidy will be passed on to the new homeowner

in the form of a fifteen (15) year deferred, forgivable loan, at zero percent (0%) interest. The loan will be forgiven at the end of the term. Full balance due if property is sold, rented, refinanced or the property fails to be the owner's primary residence during the fifteen year term. Notwithstanding the previous restrictions, the owner shall be allowed to refinance without being subject to the provisions set forth therein so long as the amount of the refinancing does not exceed the then outstanding balance of the first mortgage. Subordination will only be approved if the refinancing will lower the current mortgage payment and/or interest rate.

The City's interests will be secured through the execution of a subordinate mortgage and note as well as a Restrictive Covenant delineating the recapture period and terms.

- f. **Recipient Selection Criteria:** All recipients of assistance must meet the eligibility requirements as stipulated in the applicable Florida Statutes, SHIP Rule, and this Plan. Applicants will be selected from a waiting list on a first come, first ready basis.
- g. **Sponsor Selection Criteria:** See Section I (P).
- 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. Down Payment/Closing Costs and Rehabilitation:**

- a. **Summary of the Strategy:** 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 years.
- b. **Fiscal Years Covered:** 2013/2014, 2014/2015 and 2015/2016
- c. **Income Categories to be served:** Eligible persons/households that are very low, low or moderate income. See Section I (L).
- d. **Maximum award:**

1. \$50,000 (Moderate-Income)

2. \$100,000 (Low and Very Low-Income)

3. \$150,000 (Extremely Low-Income)

~~\$60,000 for Very Low and Low Income Persons and \$40,000 for~~

### ~~Moderate Income Persons~~

- e. **Terms, Recapture and Default:** Fifteen (15) year deferred, forgivable loan, at zero percent (0%) interest. The loan will be forgiven at the end of the term. Full balance due if property is sold, rented, refinanced or the property fails to be the owner's primary residence during the fifteen year term. Notwithstanding the previous restrictions, the owner shall be allowed to refinance without being subject to the provisions set forth therein so long as the amount of the refinancing does not exceed the then outstanding balance of the first mortgage. Subordination will only be approved if the refinancing will lower the current mortgage payment and/or interest rate.

Additionally, if the unit is sold prior to the extinction of the affordability period, part of the equity produced by the sale shall be reimbursed to the City as follows: If the unit is sold between the first and the tenth year, 50% of the profit shall be paid to the City; if the unit is sold between the 11<sup>th</sup> and 15<sup>th</sup> year, 25% of the profit shall be paid to the City.

The City's interests will be secured through the execution of a subordinate mortgage and note as well as a Restrictive Covenant delineating the recapture period and terms.

- f. **Recipient Selection Criteria:** All recipients of assistance must meet the eligibility requirements as stipulated in the applicable Florida Statutes, SHIP Rule, and this Plan. Applicants will be selected from a waiting list on a first come, first ready basis.
- g. **Sponsor Selection Criteria:** See Section I (P) of this Plan.
- h. **Additional Information:** Mobile homes and trailers are not eligible for this strategy. Eligible housing must be located within the corporate limits of the City of Miami Beach.

### E. Rental Housing Development:

- a. **Summary of the Strategy:** Funds will be provided to developers to be used to finance the costs associated with hard and soft rehabilitation costs of rehabilitating vacant multi-family buildings.
- b. **Fiscal Years Covered:** 2013/2014, 2014/2015 and 2015/2016
- c. **Income Categories to be served:** Eligible persons/households that are

very low, low or moderate income. See Section I (L) of this Plan.

**d. Maximum award:**

\$40,000/unit

- e. Terms, Recapture and Default:** A Thirty (30) year deferred payment loan at 0% interest. Full balance of the SHIP subsidy will be due if the property is sold or transferred, or the property fails to be used for affordable housing during the thirty year term. The City may impose a reverter provision at the end of the term if it is found to be in the best interest of City to maintain the affordable housing beyond the affordability period, if the recipient decides to convert the rental development to all market rate development. The reverter clause will not be used if the recipient volunteers to keep a negotiated percentage of the units affordable to very low, low and moderate-income households.

Additionally, if the building is sold after the tenth year of the affordability period but prior to the end of the affordability period, in addition to the full repayment of the SHIP loan, part of the equity produced by the sale shall also be reimbursed to the City as follows:

- If the property is sold within five (5) years of purchase, the City is entitled to profits in the amount of the percentage of assistance related to the cost of the project, multiplied by three (3).
- If the property is sold within ten (10) years of purchase, the City is entitled to profits in the amount of the percentage of assistance related to the cost of the project, multiplied by two (2).
- If the property is sold within fifteen (15) years of purchase, the City is entitled to profits in the amount of the percentage of assistance related to the cost of the project, multiplied by one (1).

The City's interests will be secured through the execution of a mortgage and note as well as a Restrictive Covenant delineating the affordability period and terms.

- f. Recipient Selection Criteria:** All recipients of assistance must meet the eligibility requirements as stipulated in the applicable Florida Statutes, SHIP Rule, and this Plan.
- g. Sponsor Selection Criteria:** See Section I (P) of this Plan.
- h. Additional Information:** Assisted properties must be located within the City of Miami Beach corporate limits.

### III. LHAP INCENTIVE STRATEGIES

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

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

- a. Established policy and procedures: This incentive gives priority to designated affordable housing projects when scheduling pre-design conferences with relevant City agencies including, but not limited to: Fire, Planning and Zoning, Building, Historic Preservation, and the Office of Real Estate, Housing and Community Development. Also, when the plans are ready for permitting, first priority is given; further, the City has developed a form to identify the projects reviewed by the Office of Real Estate, Housing & Community Development. The incentive was enacted by administrative action on February, 1997.

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

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

- a. Established policy and procedures: Prior to the adoption of any proposed policy, procedure, ordinance, development plan, regulation, or Comprehensive Plan amendment that might impact housing, the City evaluates its potential effect and cost on affordable housing through the Director of the Office of Real Estate, Housing & Community Development. The Office of Real Estate, Housing and Community Development may present proposed legislation to applicable City boards and committees for their review as they may impact housing. The incentive was enacted by administrative action on February 1997.

**Exhibit A**

**ADMINISTRATIVE BUDGET**



**Exhibit B**

**TIMELINE**

**Exhibit C**

**HOUSING DELIVERY GOALS**

**Exhibit D**

**CERTIFICATION PAGE**

**Exhibit E**

**ADOPTING RESOLUTION**

**Exhibit F**

**PROGRAM INFORMATION SHEET**