



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

**FISCAL YEARS COVERED**

**2015/2016 2016/2017 AND 2017/2018**

**PROPOSED  
AMENDMENT IN RED**

**March 1, 2016**

**Department of Urban Redevelopment**

**Fort Pierce City Hall  
100 North U.S. Hwy. 1  
Fort Pierce, Florida 34950**

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## I. PROGRAM DESCRIPTION

**A. Name of participating local government:** City of Fort Pierce

Interlocal: Yes \_\_\_ No X

**B. Purpose of the program:** The Local Housing Assistance Plan (LHAP) establishes a plan for the entire jurisdiction of the City of Fort Pierce to meet 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 City of Fort Pierce's Comprehensive Plan specific to affordable housing.

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

2015/2016

2016/2017

2017/2018

**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's Comprehensive Plan.

**E. Local Housing Partnership:** The City continues to collaborate with public, private and non-profit organizations to carry out its affordable housing programs. These partnerships allow the City to be effective in combining all available resources and cost-saving measures and substantially reduce the cost of housing for income-qualified residents. The City will continue to encourage active partnerships between government sectors, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups to produce affordable housing and to provide related services.

Homeownership assistance for new and existing properties is provided in partnership with local financial institutions and in consultation with local citizens. The St. Lucie County Lending Consortium brings together lenders, title companies, mortgage brokers, realtors, homebuilders, and local government, through public meetings every other month.

**F. Leveraging:** The City will continue to use SHIP funds to leverage local and federal funds such as Community Development Block Grant (CDBG) and other federal, state and local sources, including federal housing grants and State of Florida Housing Corporation program funds. The City will continue to leverage its SHIP funds as possible and combine local resources and cost saving measures thereby reducing the cost of housing.

**G. Public Input:** Public input was solicited through face-to-face meetings with housing providers, social service providers, local lenders and neighborhood associations through the bi-monthly meetings of the St. Lucie County Lending Consortium. Comments were also solicited in developing this Plan and a draft Plan was made available for public review for more than thirty (30) days. An announcement that the Draft LHAP was available for public review and comment was advertised in the local newspaper of general circulation on January 16 and January 23, 2015. The Draft LHAP was available for public review and comment between February 1 and March 2, 2015 on the City's website

([www.cityoffortpierce.com](http://www.cityoffortpierce.com)), and in hardcopy at the Fort Pierce City Hall in the Department of Urban Redevelopment. A public hearing and opportunity for public comment was presented during a regularly scheduled City Commission meeting on March 2, 2015. *No comments were received from the public during the public hearing on March 2, 2015.*

- H. Advertising and Outreach:** A notice of funding availability will be published in a newspaper of general circulation serving a diverse population, at least thirty (30) days in advance of each funding cycle and announcements will be made by mail-outs to various organizations throughout the community. Additionally, staff will participate at local housing fairs and or community events. If no funding is available due to a waiting list, no notice of funding availability will be advertised.
- I. Discrimination:** In accordance with the provisions of Florida Statutes 760.20-760.37, it is unlawful to discriminate based on 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:** Urban Redevelopment staff meet monthly with the Treasure Coast Continuum of Care in an effort to coordinate housing supportive services. Staff also meets every-other month with the St. Lucie County Lending Consortium, who works with the City to provide credit counseling, homeownership counseling (pre and post), and debt management assistance.
- K. Purchase Price Limits:** Pursuant to Chapter 67-37.007(6) F.A.C., 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. According to Florida Statute 420.9075(4)(c), the sales price or value of new or existing eligible housing, as determined by the U.S. Department of Treasury, may not exceed 90% of the average median 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 most current Treasury Area Median Purchase Prices will be used. All units must be new, rehabilitated within the past year, or require rehabilitation at the time of purchase to be eligible.
- L. Income Limits, Rent Limits and Affordability:** The income and rent limits used in the SHIP Program are updated annually, based on information collected from the U.S. Department of Housing and Urban Development (HUD) and distributed by the Florida Housing Finance Corporation. Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of the median adjusted gross annual income for the households as indicated in Sections 420.9071. However, it is not the intent to limit an individual household's ability to devote more than 30 percent of his income for housing. Housing for which a household devotes more than 30 percent 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 percent benchmark and in the case when rental housing does not exceed those rental limits adjusted for bedroom size.

**M. Welfare Transition Program:** Should an eligible sponsor be used, the City will develop a qualification system and selection criteria for applications for awards to eligible sponsors, which will include a description that demonstrates how eligible sponsors that employ 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 Urban Redevelopment Department staff shall annually monitor and determine tenant eligibility, or to the extent another governmental entity provides the same monitoring and determination, the City 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, unless 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.

**O. Administrative Budget:** A detailed line item budget of proposed administrative expenditures is attached as Exhibit A. The Department of Urban Redevelopment is responsible for administration of the SHIP program for fiscal years 2015-2016, 2016-2017 and 2017-2018. Ten percent (10%) of the total SHIP allocation and loan repayment proceeds will be authorized for administrative expenses each year, as approved by City Commission's attached resolution (Exhibit E).

**P. Program Administration:** Administration of the LHAP is the responsibility of the City of Fort Pierce's Department of Urban Redevelopment. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program, the City will have available, in detail, the duties, qualifications and selection criteria used to determine the entity or consultant contracted to provide this service.

**Q. Essential Services Personnel:** Defined, 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) F.S.

Persons in need of affordable housing who are employed in occupations or professions that include, but are not limited to, local or state law enforcement, fire, rescue, emergency services and management, public safety, educators, school district personnel in the public, private, college and university systems, health care professionals and support personnel, tourism industry professionals and employees, judicial/court system management and support personnel, service industry personnel (including child care, hospitality and food service) and other job categories as required by Section 420.9075(3)(a), F.S meet the 'Essential Services Personnel' definition.

**R. Green/Innovative Design** (Section 420.9075(3)(d)), F.S. The City of Fort Pierce will include rehabilitation activities that will conserve energy and water, including but not limited to the replacement of central air conditioning systems with

updated energy efficient models, installing programmable thermostats, installing water conserving water closets, installing insulation and envelope sealing.

**S. Special Housing Needs:** Section 420.9075(1)(a), F.S. The City of Fort Pierce recognizes that there are many elderly and disabled residents in need of accommodations beyond regular rehabilitation improvements. These can include grab bars, ramps, accessible kitchens and bathrooms, doors and switches, etc. The Department of Urban Redevelopment makes a concerted effort to identify these needs at the time of the initial inspection.

## **II. LHAP HOUSING STRATEGIES**

As funding is available, the LHAP for the 2015-2016, 2016-2017 and 2017-2018 fiscal years will increase the availability of affordable housing by providing:

- Rehabilitation and emergency repairs for existing homeowners;
- "First Time Homebuyer" down payment and closing cost assistance for new homes or homes requiring rehabilitation;
- Construction or rehabilitation assistance for multi-family rental units;
- Foreclosure prevention assistance and counseling to qualified homeowners;
- Disaster, post disaster, and mitigation recovery assistance; and
- Replacement of site-built housing.

### **A. STRATEGY 1: OWNER-OCCUPIED HOUSING REPAIR/ REHABILITATION (Code 3)**

**a. Summary of the Strategy:** The City provides Owner-Occupied Housing Repair/Rehabilitation funding through the SHIP program for the upgrading of substandard owner-occupied housing units and to address housing code violations. Additionally, this strategy provides for the construction or installation of general property improvements to provide basic amenities and to bring units into conformity with applicable housing standards.

All rehabilitation work is required to include initiatives for green design and techniques as referenced in Section 420.9075(3)(d), F.S. This strategy is for eligible very low, low and moderate-income persons who own and occupy single-family housing units. The City shall award SHIP owner-occupied repair/rehabilitation assistance to income eligible households on a first-qualified/first-served/. When an extensive waiting list exists, applicants will be added to the list in first qualified/first served order. Applications will be received until funds are expended.

The City's Contracted Rehab Consultant will inspect homes of eligible applicants to identify work activities, through a work write up, for improvements that are needed for safe and sanitary habitation, correction of substantial code violations, or the creation of additional living space.

**b. Fiscal Years Covered:** 2015/2016; 2016/2017; 2017/2018

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

**d. Maximum award:** \$ \$20,000

**e. Term, Recapture and Default:** Deferred mortgage loan at 0% interest due and payable upon sale, transfer or rental of residence for very low and low-to-moderate income families. The deferred loan will reduce annually (see chart below) if the owner continues to occupy the unit as their principal residence. The loan is forgiven on an annual basis according to the chart below. Loans will be secured by a mortgage and note. Should the property be sold or if the household fails to maintain it as their principal residence during the term of the deferred mortgage loan, the remaining amount will be due and payable to the SHIP Housing Trust Fund. In the event of the death of the property owner, the same recapture criteria applies to the heir(s).

<b>Assistance Amount</b>	<b>Term Period</b>	<b>Annual Forgiveness</b>
\$500 - \$10,000	5 year	1/5 of loan amount
\$10,001 - \$30,000	10 years	1/10 of loan amount
\$30,001 - \$50,000	15 years	1/15 of loan amount

**f. Applicant Selection Criteria:** Very low and lower income homeowners will be assisted on a first qualified/first served basis, following advertisement of the availability of funds. When an extensive waiting list exists, applicants will be added to the list in first qualified/first served order.

**g. Sponsor Selection Criteria:** Not applicable

**h. Additional Information:** The City may leverage local and federal funds when cost of the project exceeds the maximum award allocation. When an extensive waiting list exists, qualified applicants will be selected from the list in first-qualified/first-served order.

**B. STRATEGY 2: HOME PURCHASE ASSISTANCE (Codes 1,2)**

**a. Summary of the Strategy:** The City may provide funds for Home Purchase Assistance for very low, low and moderate-income persons. The City shall award SHIP assistance to income-eligible households on a first-qualified/first-served basis. The household selection is based on meeting all of the income eligibility criteria, credit financial status, and ability to qualify for a sufficient first mortgage. The first mortgages for these households may be obtained through such sources as, but not limited to: lenders, Federal Housing Administration (FHA) backed loans from a local lender, Veterans Administration (VA), or through any qualified lender, mortgage banker or broker.

Down payment and closing cost assistance is for eligible first-time homebuyers to purchase a newly constructed home, or an existing home, which need repairs, for use as their principal residence. Purchasers of both new and existing homes will be assisted with only the amount required to reduce the purchase price (principal reduction) in order to make the unit affordable, pay for repairs required by the program and/or closing costs, up to the maximum award. A *first time homebuyer* is defined as a person that has not owned a home in the previous three (3) years [exceptions will be made for individuals who are displaced homemakers]. A *displaced homemaker* is defined as an adult who has lost the primary source of financial support of the main family

wage earner because of divorce, death, abandonment or disability. Eligible applicants must contribute a minimum of \$500.

- b. Fiscal Years Covered:** 2015/2016; 2016/2017; 2017/2018
- c. Income Categories to be served:** Very low, low, and moderate-income families.
- d. Maximum award:** \$15,000 for very low and low-income families, and \$10,000 for moderate-income families
- e. Terms, Recapture and Default:** Deferred mortgage loan at 0% interest due and payable upon sale, transfer or rental of residence for very low, low and moderate-income families. The loan is forgiven on an annual basis according to the chart below. Loans will be secured by a mortgage and note. Should the property be sold or if the household fails to maintain it as their principal residence during the term of the deferred mortgage loan, the remaining amount will be due and payable to the SHIP Housing Trust Fund. In the event of the death of the property owner, the same recapture criteria applies to the heir(s).

<b>Assistance Amount</b>	<b>Term Period</b>	<b>Annual Forgiveness</b>
\$10,000	10 year	1/10 of loan amount
\$15,000	15 years	1/15 of loan amount

**f. Recipient Selection Criteria:** Applicants must be able to qualify for a mortgage loan from a member of the St. Lucie County Lending Consortium (see Consortium member list – Exhibit H) or an approved local lender offering bond or special financing. A prequalification letter will be required before the application will be processed completely or selected for funding. Only those households meeting the local lending criteria will be processed further. Households with credit problems will be referred to a consumer credit counseling service for assistance.

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

**h. Additional Information:** N/A

**C. STRATEGY 3: FORECLOSURE PREVENTION PROGRAM (CODE 7)**

- a. Summary of Strategy:** SHIP funds may be used to help homeowners avoid foreclosure by catching up their mortgage payments. Eligible expenses include delinquent mortgage payments (principal, interest, taxes and insurance), attorney fees, late fees, and other customary fees associated with mortgage payments.
- b. Fiscal Years Covered:** 2015/2016; 2016/2017; 2017/2018
- c. Income Categories to be served:** Very low, low and moderate-income persons
- d. Maximum Award:** \$7,500

- e. Terms, Recapture and Default:** Assistance will be through a one (1) year zero percent (0%) interest deferred payment loan secured by a mortgage and note to qualified homeowners, forgiven at the end of one year. Should the property be sold, rented, title transferred, etc. or the household fail to maintain the home as their principal residence during the term of the contractual term of the loan, the invested funds shall become due and payable to the SHIP Housing Trust Fund.
- f. Recipient Selection Criteria:** Homeowners that reside within the city limits of Fort Pierce will be eligible to apply for assistance through this strategy. Applicants will be selected on a first qualified/first served basis.
- g. Sponsor Selection Criteria:** Not applicable
- h. Additional Information:** None

**D. STRATEGY 4: DISASTER/POST DISASTER/ MIGATION/ RECOVERY (Code 5)**

- a. Summary of Strategy:** In the event of a state or federally-declared disaster by Executive Order as required in Section 420.9078(1), F.S., SHIP funds may be used to leverage with available federal and state resources to assist income-eligible households with disaster related repairs. SHIP disaster funds may be used for items such as, but not limited to purchase emergency supplies to weatherproof damaged homes, provide repairs to avoid further damage, remove trees and debris, pay insurance deductibles, and to provide additional post-disaster assistance for non-insured repairs. Security deposits and rental assistance for displaced disaster-related recipients (not to exceed two months), will be provided only during the term of the Executive Order. Alternatively, funds may also be used to retrofit residences with mitigation features (installation of roofing straps, shutters, storm doors, windows and garage doors) that help prevent future storm damage.
- b. Fiscal Years Covered:** 2015/2016; 2016/2017; 2017/2018
- c. Income Categories to be served:** Very low, low and moderate-income families
- d. Maximum Award:** \$15,000
- e. Terms, Recapture, and Default:** Assistance will be provided through a deferred payment loan at 0% interest due and payable upon sale, transfer or rental of residence for very low, low and moderate income families. The deferred loan will depreciate annually (see chart below) if the owner continues to occupy the unit as their principal residence. For assistance amounts up to \$7,500, the total loan amount will be forgiven on the first anniversary of the date of the execution of the deferred mortgage. For assistance amounts between \$7,501 and \$15,000, one-fifth of the loan will be forgiven from the balance owned on each anniversary date of the execution of the deferred mortgage. Should the property be sold or the household fail to maintain the property as their principal residence during the term of the deferred mortgage loan, the remaining amount will immediately become due and payable to the SHIP Housing Trust Fund.

Loans will be secured by a mortgage and note, due and payable upon sale, transfer, or rental of residence. Full recapture of funds invested will be required upon default, unless a forgiveness provision is incorporated into the mortgage and note in which case the non-depreciated portion shall be due and payable upon default. In the event that the City receives reimbursement from federal and state sources, such reimbursed funds will be utilized in accordance with the approved Housing Assistance Plan in effect at the time the funds are disbursed.

<b>Assistance Amount</b>	<b>Term Period</b>	<b>Annual Forgiveness</b>
\$0 - \$7,500	1 year	-
\$7,501 - \$15,000	5 years	1/5 of loan amount

- f. Recipient Selection Criteria:** Assistance will be provided on a first qualified/first serve basis following advertisement of the availability of funds. When an extensive waiting list exists, applicants will be added to the list in first qualified/first served order. Applications will be received until funds are expended.
- g. Sponsor Selection Criteria:** N/A
- h. Additional Information:** The City may leverage local and federal funds when cost of the project exceeds the maximum award allocation.

**PROPOSED AMENDMENT – REMOVE STRATEGY #5:**

**E. STRATEGY 5: REPLACEMENT OF SITE-BUILT HOUSING (Code 4)**

- a. Summary of the Strategy:** The City may use SHIP funds for the Replacement of Site-Built Housing strategy, which, if offered, will be available to very-low and low-income homeowners, in-lieu of rehabilitation when the home is deteriorated to the extent that repair is unfeasible due to unreasonable costs or extensive structural issues, as determined by the City Building Official and the homeowner has sufficient equity and income to maintain a monthly mortgage debt payment. The goal is to prevent imminent displacement of very low income and elderly homeowners due to distressed conditions, encourage revitalization of low-income neighborhoods and increase the supply of safe, decent and sanitary housing.
- b. Fiscal Years Covered:** 2015/2016; 2016/2017; 2017/2018
- c. Income Categories to be served:** Very low, low
- d. Maximum award:** \$75,000
- e. Terms, Recapture and Default:** Deferred payment loan at 0% interest due and payable upon sale, transfer or rental of residence for very low and low-income families. The deferred loan will depreciate annually (see chart below) if the owner continues to occupy the unit as their principal residence. On each anniversary date of the execution of the deferred mortgage, the value of one year’s payment will be deducted from the balance owed. Should the property be sold or the household fail to maintain it as their principal residence during

**PROPOSED AMENDMENT HIGHLIGHTED AND IN RED**

the term of the deferred mortgage loan, the remaining amount will become due and payable to the SHIP Housing Trust Fund.

<b>Term Period</b>	<b>Assistance Amount</b>	<b>Annual Forgiveness</b>
5 years	\$1,000-\$10,000	1/5 of loan amount
10 years	\$10,001-\$30,000	1/10 of loan amount
15 years	\$30,001-\$50,000	1/15 of loan amount
20 years	\$50,001-\$75,000	1/20 loan amount

**f. Recipient Selection Criteria:** Assistance will be provided on a first qualified/first ready basis following advertisement of the availability of SHIP funds. When an extensive waiting list exists, applicants will be added to the list in first come/first served order.

Funding through this strategy will be awarded to income eligible households on a first-qualified/first-served basis. The household selection is based on meeting all of the income eligibility criteria. The replacement housing on site is available to the following eligible property:

1. The dwelling must be an owner-occupied single-family home in conformance with land use and zoning restrictions and located within the city limits of Fort Pierce;
2. The structural deterioration precludes the economic feasibility of undertaking repairs to correct code violations and provide a decent, safe and sanitary living environment;
3. Ownership of the property must be fee simple estate at the time of loan closing with title in the name of the applicant(s);
4. Property taxes must be current. Applications shall not be approved for funding if there are delinquent property taxes outstanding;
5. Total project costs (all funding sources) may not exceed the FHA 203(b) limits in effect as of the date of the assistance. The value of the dwelling after construction may not exceed State Housing Initiatives Partnership (SHIP) Program maximum allowable purchase price for existing homes. These limits are established in the City's Local Housing Assistance Plan;
6. The replacement home will be consistent with the needs of the household, the character of the neighborhood, and area-wide market conditions; and
7. Replacement home specifications will be prepared, made available for bid and awarded, according to the City's standard contractual award and bid policies.

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

**h. Additional information:** N/A

### **III. LHAP INCENTIVE STRATEGIES**

#### **A. EXPEDITED PERMITTING**

The City of Fort Pierce Housing Incentive Plan was adopted August 1, 1994 and amended on March 19, 2009. The Affordable Housing Advisory Committee (Communitywide Council) reviewed the incentives; expedited the permitting process for affordable housing projects and established a process to consider actions that have a significant impact on the cost of housing.

**Established policy and procedures:** The City of Fort Pierce has streamlined permit processing in place, for all projects. The City encourages pre-construction meetings with the builder and Planning Department staff, to save the builder the expense of having plans redrawn to meet City requirements and cause possible delays in the permitting process.

#### **B. ON-GOING REVIEW PROCESS**

The Housing Incentive Plan recommends that the City process and review affordable housing permits within three (3) business days. The plans for review should be color-coded for priority and hand delivered to the appropriate departments. The objective of each department is to perform their review the day the applications for permits are received.

**Established policy and procedures:** A committee is in place to review the City's building codes and land development regulations. The objective of the committee is to recommend the elimination of excessive non-essential requirements that add to the cost of housing. The committee may make non-binding recommendations to the Director of the Department of Urban Redevelopment, City Manager, and/or City Commission.

### **IV. EXHIBITS:**

- A. Administrative Budget  
Fiscal Years 2015/2016; 2016/2017; 2017/2018
- B. Timeline for Encumbrance and Expenditure
- C. Housing Delivery Goals Chart  
Fiscal Years 2015/2016; 2016/2017; 2017/2018
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