

Surplus property to non-profits

Written by: Chad Ingram

Edited August 8, 2023

Proposed change: For the purposes of increasing the construction of affordable housing units for sale, the city shall allow local nonprofits to submit unsolicited requests for donation of vacant infill lots (Limit 25 lots) on the city's surplus property list as well as FPRA and City owned property deemed to be surplus not currently on the list.

The city, recognizing the reality that tying up the property with traditional clawbacks and further restrictions makes the property unusable as a downpayment on a construction loan and would hinder the purposes of this change in practice. Therefore, the city shall retain the right to force the transfer of the project to the highest bidder or alternative non profit should the initial nonprofit not perform under the contract. This would ensure forward progress toward the goal of increasing the construction of affordable housing units.

Our service clients, the board members of Because We Love Lincoln Park, Inc. and our partners request any changes or additions to this proposal, be stricken with a line, not deleted. All edits shall be backed up by legal justification, and explanation as to how the change will not interfere with the availability of affordable housing, and the specific reason for the change. This is for the sake of transparency.

- This is a home ownership program
- Buyer eligibility to be pegged to rental payment history and overall ability to perform under the contract. Not credit scores. Criminal history restrictions may apply. No evictions and no bankruptcy within the past 10 years.

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- **Nonprofits and the local housing authority shall develop programs allowing for the use of rental assistance vouchers as mortgage payments.**
- **15% of sale price and or 6 months verifiable and documented sweat equity shall be acceptable for down payments.**
- **Priority will be given to collaborative projects**
 - **Non applicant collaborators are limited to 3 open permits at a time**
 - **Sub contractors are limited to 3 open permits at a time.**
- **Applicants are limited to 1 open project at a time.**
- **Properties to be transferred via quit claim deed.**
- **Nonprofits must have state certified modular home drawings or pre-approved permitted drawings for housing units as well as a preliminary labeled sketch of the proposed site plan that accompanies their requests for donation.**
- **The nonprofit must show proof of their ability to pay for property closing, transfer and recording fees as well as the cost of a self filed quiet title action, land survey, and permitting fees not associated with the expediting process.**
- **Nonprofits must make timely monthly progress reports including status of construction financing to the grant administrator.**
- **Permits will be expedited at no cost**
- **Non profit must file a quiet title action before applying for permits and show proof of filing.**
- **Nonprofits must transfer properties to the end buyer via a warranty deed**
- **Construction must commence within 90 days of site plan permit approval**

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- **Nonprofits may apply for owner builder status on projects with cost up to \$250,000**
 - All subcontractors must be state licensed
 - Projects may be used for workforce training
- **Non profit must record a 15 year owner occupant deed restriction that includes a 15 year buyer eligibility limitation, pegged to HUD Income Limit of between 50 & 80% of AMI recorded at close.**
 - This ensures future affordability
 - SHIP and CDBG funds may be granted to nonprofits to pay for new unit construction associated cost and land acquisition specifically in blighted areas, such as a Lincoln Park.
- **Non Profit may sell the project package before issuance of C.O. to first time home buyers. Nonetheless, issuance of C.O. is required to qualify for eligibility for another lot donation request.**
- **Non Profit required to use paid local social media marketing on at least 2 platforms and conduct 1 in person outreach to first time homebuyers classes in 2 locations.**

Laws facilitating proposed changes in current city cultural practices.

The 2022 Florida Statutes (including 2022 Special Session A and 2023 Special Session B)

274.05 Surplus property.—A governmental unit shall have discretion to classify as surplus any of its property, which property is not otherwise lawfully disposed of, that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function. Within

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the reasonable exercise of its discretion and having consideration for the best interests of the county or district, the value and condition of property classified as surplus, and the probability of such properties being desired by the prospective bidder or donee to whom offered, the governmental unit may offer surplus property to other governmental units in the county or district for sale or donation or may offer the property to private nonprofit agencies as defined in s. 273.01(3) by sale or donation. If the surplus property is offered for sale and no acceptable bid is received within a reasonable time, the governmental unit shall offer such property to such other governmental units or private nonprofit agencies as determined by the governmental units on the basis of the foregoing criteria. Such an offer shall disclose the value and condition of the property. The best bid shall be accepted by the governmental unit offering such surplus property. The cost of transferring the property shall be paid by the governmental unit or the private nonprofit agency purchasing or receiving the donation of the surplus property.