

RESOLUTION NO. 020157

PASSED July 8, 2002

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, APPROVING THE AMENDED CITY OF GAINESVILLE LOCAL HOUSING ASSISTANCE PROGRAM FOR STATE FISCAL YEARS 2002-2003 THROUGH 2004-2005; ESTABLISHING THE SHIP AWARD FOR THE MAXIMUM COST PER UNIT FOR ELIGIBLE HOUSING AND THE MAXIMUM SHIP FUNDS ALLOWABLE FOR EACH AFFORDABLE HOUSING STRATEGY; AUTHORIZING AN ADMINISTRATIVE EXPENSES ALLOCATION NOT TO EXCEED TEN PERCENT OF TOTAL ALLOCATION FOR FISCAL YEARS 2002-2003 THROUGH 2004-2005; AUTHORIZING THE CITY MANAGER TO EXECUTE REQUIRED DOCUMENTS AND CERTIFICATIONS; AUTHORIZING SUBMISSION OF THE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the State Housing Initiatives Partnership Act, Section 420.907 – 420.9079, Florida Statutes, (hereinafter referred to as the "SHIP Act") and Chapter 67-37, Florida Administrative Code, (hereinafter referred to as the "SHIP Rule") establish the requirements for a local housing assistance program to implement the SHIP Act; and

WHEREAS, the Act requires that in order to qualify for funding, local governments develop a one to three year Local Housing Assistance Plan outlining how funds will be used for each state fiscal year; and

WHEREAS, the SHIP Act and SHIP Rule provide that the cost of administering the local housing assistance program may not exceed five percent of the local housing distribution moneys and program income deposited into the trust fund unless the local governing body finds, by resolution, that five percent is insufficient to adequately pay the necessary cost of administering the local housing assistance plan; and

WHEREAS, the Act also requires adoption of a Local Housing Assistance Plan and any plan amendments; and

WHEREAS, the Act also requires adoption of statement of average cost per unit and maximum cost per for eligible housing benefiting from a SHIP award and a statement of the average SHIP funds and maximum SHIP funds allowable for each strategy pursuant to the SHIP Program; and

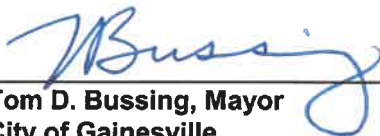
WHEREAS, it is in the best interest of the City of Gainesville to qualify for said revenues, such action is for a valid City purpose; and

NOW, THEREFORE, be it resolved by the City Commission of the City of Gainesville, Florida:

1. That the amended City of Gainesville Local Housing Assistance Plan for state fiscal years 2002-2003 through 2004-2005 is hereby approved.
2. That the average cost per unit and the maximum cost per unit for eligible housing benefiting from a SHIP award and the average SHIP funds and maximum SHIP funds allowable for each strategy pursuant to the City of Gainesville Local Housing Assistance Plan for fiscal years 2002-2003 through 2004-2005 is established as provided in said Local Housing Assistance Plan.
3. That the City of Gainesville had determined that five percent (5%) of the local housing distribution plus program income is insufficient to adequately pay the administrative cost of the SHIP Program and has made a provision increasing administrative expense to not more than ten percent (10%).

4. That the City Manager of the City of Gainesville or his designee is authorized to submit the Local housing Assistance Plan, a copy of which is attached hereto and made part hereof, to the State of Florida Housing Finance Corporation for its review and approval.
5. That the City Manager of the City of Gainesville or his designee is authorized and empowered to execute the certifications peculiar to the Local Housing Assistance Plan on behalf of the City of Gainesville.
6. The City Manager or his designee is authorized and directed to do all things necessary and proper in order to carry out the terms and conditions of said grant and this resolution.
7. That this Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED THIS 8th DAY OF July, 2002



Tom D. Bussing, Mayor
City of Gainesville

ATTEST:



Kurt M. Lanpon Jr.
Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:



Marion J. Radson
City Attorney

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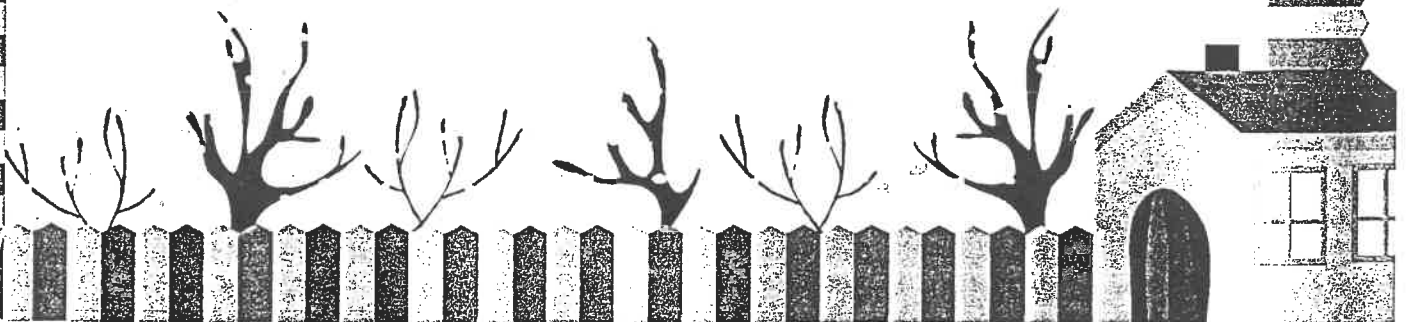
City of Gainesville



State Housing Initiatives Partnership (S.H.I.P.)

LOCAL HOUSING ASSISTANCE PLAN **State Fiscal Years: 2002-2003, 2003-2004, 2004-2005**

Prepared By: City of Gainesville Housing Division
Revised June 17, 2002



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

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I. PROGRAM DESCRIPTION

A. Name of the Participating Local Government

The City of Gainesville (City)

B. Introduction

The Local Housing Assistance Plan (LHAP) was prepared for the City's participation in the State Housing Initiatives Partnership (SHIP) Program, in compliance with Section 420.907, Florida Statutes Chapter 67-37, Florida Administrative Code.

The LHAP conforms with the City's Comprehensive Plan: 2000-2010, adopted by Ordinance #991268, as amended, with the Housing Element. The SHIP Program is administered by the City's Housing Division, which also implements and administers the City's Comprehensive Housing Program. The LHAP describes the SHIP program activities for the utilization of funds through public/private partnerships to develop and preserve affordable housing in the City. The LHAP addresses affordable housing needs in the community such as homeownership, housing rehabilitation, new construction, rental activities, downpayment assistance, mortgage foreclosure intervention, and special needs housing. The LHAP will provide affordable housing opportunities for eligible residents within the incorporated areas of the City, except as may otherwise be provided through the Inter-local Agreement with Alachua County.

C. State Fiscal Year(s) of the Plan. The effective period of this program will be for three years from July 1, ~~2002~~ 2003 to June 30, 2005.

D. Public Input in Developing the Plan. The LHAP was prepared by the City of Gainesville Housing Division and presented to the SHIP Executive Committee on March 21, 2002. During March 2002, public input on the LHAP was solicited through newspaper advertisements, meeting notices and a public meeting. The City's Planning Division also reviewed the LHAP for consistency with the Comprehensive Plan.

E. Support Services. Residents/Sub recipients of SHIP-assisted housing may receive support from various organizations during the course of their project. The City provides support services such as, application processing, credit counseling, default counseling, homeownership education, participation in community housing related workshops and committees, technical assistance, and sponsors community housing related events. **Attachment 1** identifies the support services and housing providers in the Gainesville community.

E1. Homeownership Counseling and Education.

a. Description of activities.

The City Housing Division is a HUD Certified Housing Counseling Agency. Homeownership education is an important component of the City's Comprehensive Housing Program. The Housing Counseling Program is designed to provide counseling services to residents who participate in the City's housing programs, which include activities such as pre-purchase education, post-purchase education, delinquent and default prevention, credit and budget management, and home improvement and maintenance. Residents of SHIP-assisted housing may receive housing counseling services during the course of their project.

Homebuyer Education and Training Course

Funds will be available to provide homeownership training and counseling for homebuyers who are utilizing SHIP funds under any of the home ownership strategies. This course is mandatory for all beneficiaries of the homeownership programs. The training, offered free of charge, includes a video and workbook covering the subjects of financing, family budgeting, home maintenance and credit/mortgage counseling. Persons completing the course will receive a certificate.

Post Purchase Program

Funds will be available to provide post-purchase homeownership training and counseling for residents who received SHIP funds. The purpose of the program is to assist residents with the transition into homeownership by providing training and education on topics such as, neighborhood planning, maintaining good credit, mortgage delinquency and default, budgeting, home maintenance/housekeeping and homeowner's association training.

The goals of the program are to encourage residents to continue home maintenance, expand the awareness of needs in their neighborhood and take an active role in solving neighborhood problems to build stronger community relationships. This program is optional for beneficiaries of the City's New Construction Program. The training is offered free of charge to the participants.

b. State Fiscal Year. 2002 2003-2005

c. Income category proposed to be served. Very Low, Low, and Moderate households as defined by this plan are eligible.

d. Selection criteria for eligible households or sponsors. The program will be available to all potential SHIP beneficiaries. The program will be administered by the City Housing Division.

e. Other funds leveraged. CDBG, HOME and other in-kind services.

II. INTERLOCAL AGREEMENT

The City of Gainesville has entered into an Interlocal Agreement with Alachua County (County) for the purpose of administering the Special Needs Housing Program. The referenced agreement is attached hereto. See Attachment 2.

III. LOCAL HOUSING PARTNERSHIPS

A. Description of Efforts Made to Facilitate Local Housing Partnerships

The City and Alachua County, in conjunction with community-based organizations, for-profit housing developers, lending institutions, nonprofit providers of affordable housing, providers of professional services relating to affordable housing and social service organizations working on behalf of persons with special housing needs shall implement its local housing assistance program. The LHAP will continue to be implemented through the Alachua County/City of Gainesville Local Housing Assistance Partnership. The Partnership was jointly created as an informal entity by the City of Gainesville and Alachua County to oversee and assist in the implementation of the housing assistance programs of both jurisdictions.

In the initial development of the Local Housing Partnership, 7 committees were established, including a governing Executive Committee, consisting of the chairs of the other 6 committees. This structure had been put in place to facilitate participation and guidance of private and public local housing partners such as lenders, builders, Realtors, community based organizations, public agencies, educational institutions, and others. The Community Based Organization Committee continues to meet and has developed a program designed to educate tenants to become responsible renters, and to prepare them to eventually become responsible candidates for home ownership.

As the SHIP program has grown and matured, the need for a more streamlined, sustainable structure has emerged. Many of the initial committees are no longer needed, impacting on the membership of the Executive Committee. While the need for continued participation in the Local Housing Partnership remains, new avenues are being explored to ensure a more effective partnership. The City may establish a SHIP Steering Committee in partnership with the County. The SHIP Steering Committee could assist with the development of program strategies, assist in the selection of eligible sponsors for SHIP funds, provide guidance and assistance in program marketing, home ownership and training. The joint advertising and awarding of special needs funds could also be accomplished through this committee.

B. Describe How Resources Were Combined through the Partnership to Reduce the Cost of Housing

The City/County SHIP Partnership supports the combination of funds from private/public resources to reduce the costs and improve the conditions of housing in the community. Listed below are examples of how resources have been combined to reduce the cost of housing:

1. Local lenders participate in the SHIP Program by providing affordable mortgage loans (95% -100% loan-to-value) and leveraged with the SHIP Downpayment Assistance and subsidy funding from other housing providers, provides an opportunity for very low and low-income households to purchase homes with a lower downpayment and affordable monthly payments.
2. The City leverages SHIP funds with HOME, CDBG and other funding sources to provide housing rehabilitation assistance to very low and low-income homeowners.

3. The City leverages SHIP funds with HOME, CDBG, State HOME, local revenue and private funds to provide affordable new homes through the New Construction Program. Due to the combination of federal, state and local funding sources, the local lenders on average provide affordable mortgage loans (45% to 70% loan-to-value).
4. The SHIP Special Needs Program provides local agencies with the opportunity to develop projects by leveraging funds with the HUD Continuum of Care Program, HOME, CDBG, and private capital. Incentives for leveraging are provided in the administration of all program activities involving sponsor agencies on a competitive basis.

IV. LOCAL HOUSING ASSISTANCE PROGRAM STRATEGIES

The 2002 2003-2005 SHIP Program will enable the City to continue to develop and implement several strategies that target specific housing needs that are identified in the Housing Element of the City's Comprehensive Plan. The Housing Element, adopted on March 4, 2002, contains a set of goals, objectives and policies that guide the formation of strategies under the SHIP Program. These affordable housing objectives, goals and policies are summarized in **Attachment 3**. SHIP funds may be used for both homeownership and rental housing activities. At least 65% of the SHIP funds must be used for homeownership activities; and at least 75% of the SHIP funds must be expended on construction, rehabilitation or emergency repairs of affordable eligible housing.

A. Home Ownership:

1. NEW CONSTRUCTION PROGRAM (NCP)

- a) **Description of Activities.** The New Construction Program (NCP) will facilitate the construction and development of new homes within the City. The primary goal of the NCP is to provide affordable housing opportunities within the City limits of Gainesville. The City will construct new homes for resale to very low, low and moderate-income first-time homebuyers. Homes will be constructed on vacant lots located in existing neighborhoods and subdivisions. The NCP will also include the development of new subdivisions within the City. The NCP will address the need to provide decent, safe and affordable homes to very low, low, and moderate-income families. This will be accomplished by reducing the cost of capital, land and construction costs typically charged to the homebuyer. Funds will be used as a subsidy to provide subordinate second mortgage financing to make the new homes affordable. Funds will be provided to eligible first-time homebuyers who purchase a home through the City's NCP.

The applicant(s) must be a first-time homebuyer, defined as persons who have not owned a home other than a mobile home or a manufactured (HUD-certified) home during the three year period immediately prior to purchase with SHIP funds, except that the following persons shall not be excluded from consideration as a first-time homebuyer: 1) Single parent, as defined by HUD, 2) Displaced homemaker, as defined by HUD or 3) an applicant(s) who live in a substandard dwelling that costs more to rehabilitate than build a new dwelling to bring the structure in compliance with the local building and housing codes.

- b) **State Fiscal Year.** 2002 ~~2003~~-2005
- c) **Income category proposed to be served.** Very Low, Low, and Moderate-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-ready basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award \$25,000. The average award is estimated to be \$19,000 per unit. Based on the cost to construct the new home, the funds will be provided as follows: ☉ Tier 1: up to maximum of a \$10,000, zero-interest, 10-year deferred payment loan; ☉ Tier 2: Tier 1 plus a maximum of a \$15,000, zero-interest, 10 (ten)-year due on sale loan.
- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10- year zero-interest rate, deferred payment and a 10-year non-amortizing due on sale. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the closing settlement, the deferred payment is forgiven 10% per year. If the recipient defaults on the terms of the mortgage, then the un-prorated portion of the deferred payment and due-on-sale shall become due and payable.
- g) **Other Funds Leveraged.** The New Construction Program funds are leveraged with CDBG, HOME, State HOME, Flex, local revenue and private/public lending sources.

2. DOWNPAYMENT ASSISTANCE PROGRAM

- a) **Description of Activities.**
Funds are provided to assist eligible first-time homebuyers with purchasing a new or existing home. To qualify, applicants must be income eligible under SHIP guidelines and select a home for purchase that meets the SHIP criteria. The homebuyer must pay a minimum of 2% of the sales price of the home. Only the amount of SHIP subsidy required to close will be awarded. The program is advertised when funds are available and a waiting list is maintained on a first-come-first ready basis. The primary lender submits the initial SHIP loan application to the City for review and approval. The funds are disbursed at the loan closing settlement. The applicant(s) must be a first-time homebuyer, defined as persons who have not owned a home other than a mobile home or a manufactured (HUD-certified) home during the three year period immediately prior to purchase with SHIP funds, except that the following persons shall not be excluded from consideration as a first-time homebuyer: 1) Single parent, as defined by HUD, 2) Displaced homemaker, as defined by HUD or 3) an applicant(s) who live in a substandard dwelling that costs more to rehabilitate than build a new dwelling to bring the structure in compliance with the local building and housing codes.
- b) **State Fiscal Year.** 2002 ~~2003~~-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-ready basis. If funds are not available, then the City will establish a waiting list program.

- e) **Maximum Award.** The maximum award \$3,500. The average award is estimated to be \$3,000 per unit.
- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10-year zero-interest rate, deferred payment loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the date of the closing settlement, the mortgage is forgiven 10% per year. If the recipient defaults on the terms mortgage, then the un-prorated portion of the loan shall become due and payable.
- g) **Other Funds Leveraged.** Downpayment Assistance funds are leveraged primarily with private/public lending sources.

3. DOWNPAYMENT ASSISTANCE PROGRAM- NEW CONSTRUCTION

- a) **Description of Activities.** The City will use SHIP funds to provide downpayment and closing costs assistance to eligible first-time homebuyers who purchase homes through the City's New Construction Program (i.e., Cedar Grove II, etc). To qualify, applicants must be income eligible under SHIP guidelines and select a home for purchase that meets the SHIP criteria. The homebuyer must pay a minimum of 2% of the sales price of the home. The maximum subsidy award will be provided to the beneficiary. The program is advertised when funds are available and a waiting list is maintained on a first-come-first ready basis. The funds are disbursed at the loan closing settlement. The applicant(s) must be a first-time homebuyer, defined as persons who have not owned a home other than a mobile home or a manufactured (HUD-certified) home during the three year period immediately prior to purchase with SHIP funds, except that the following persons shall not be excluded from consideration as a first-time homebuyer: 1) Single parent, as defined by HUD, 2) Displaced homemaker, as defined by HUD or 3) an applicant(s) who live in a substandard dwelling that costs more to rehabilitate than build a new dwelling to bring the structure in compliance with the local building and housing codes.
- b) **State Fiscal Year.** 2002 ~~2003~~-2005
- c) **Income category proposed to be served.** Very low, Low and Moderate-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-ready basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award \$4,000. The average award is estimated at \$4,000 per unit.
- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10-year zero-interest rate, deferred payment loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the date of the closing settlement, the mortgage is forgiven 10% per year. If the recipient defaults on the terms mortgage, then the un-prorated portion of the loan shall become due and payable.
- g) **Other Funds Leveraged.** Downpayment Assistance New Construction funds are leveraged primarily with CDBG, HOME, State HOME, and other private/public funding sources.

4. EMERGENCY REPAIR PROGRAM (ERP)

- a) **Description of Activities.** The Emergency Repair Program (ERP) provides emergency housing repair to very low and low-income homeowners within the City of Gainesville, with particular focus on worst case housing and retrofit needs. This program addresses the emergency repair needs of clients who are already on the City's owner-occupied rehab waiting list. The primary objective is to reduce the total rehabilitation cost by correcting major problems such as roof, electrical, plumbing, gas leaks, heating and handicap accessibility retrofit before they become worse and more expensive to repair. Once emergency repairs are completed, the client is reentered on the waiting list for owner-occupied rehabilitation at a later date.
- b) **State Fiscal Year.** ~~2002~~ 2003-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award \$10,000. The average award is expected to be is estimated to be \$8,000 per unit.
- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10-year zero-interest rate, deferred payment loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the date of the closing settlement, the mortgage is forgiven 10% per year. If the recipient defaults on the terms mortgage, then the un-prorated portion of the loan shall become due and payable.
- g) **Other Funds Leveraged.** ERP funds are leveraged primarily with the City's public funding sources such as CDBG and HOME. When the cost and scope of work make it non-feasible to complete a project, funding for the ERP Program may be pooled with the Roof and/or Flexible Financing Programs.

5. ROOF REPAIR PROGRAM

- a) **Description of Activities.** The Roof Repair Program is a subsection of the Emergency Repair Program. This program addresses the roof repair needs of clients who are already on the City's owner-occupied rehab waiting list. Roof replacement is the largest requested emergency item. Roof replacement is a costly repair if replacement is delayed. Typically wood, ceilings and insulation are damaged by deferred roof repairs. This program works efficiently with the ERP to provide cost effective use of program dollars through early intervention. Eligible repairs will be limited to the roof of the structure. The primary objective is to reduce the total rehabilitation cost by correcting major problems before they become worse and more expensive to repair. Once roof repairs are completed, the client is reentered on the waiting list for owner-occupied rehabilitation at a later date.

- b) **State Fiscal Year.** 2002 ~~2003~~-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award \$5,000. The average award is estimated to be \$4,000 per unit.
- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10-year zero-interest rate, deferred payment loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the date of the closing settlement, the mortgage is forgiven 10% per year. If the recipient defaults on the terms mortgage, then the un-prorated portion of the loan shall become due and payable.
- g) **Other Funds Leveraged.** Roof Repair funds are leveraged primarily with the City's public funding sources such as CDBG and HOME. When the cost and scope of work make it non-feasible to complete a project, funding for the Roof Program may be pooled with the Flexible Financing Program.

6. MODERATE REHABILITATION PROGRAM (MOD REHAB)

- a) **Description of Activities.** The Moderate Rehabilitation Program (Mod Rehab) will address the deterioration of homes occupied by very low and low-income families in the City. This program addresses the repair needs of clients who are already on the City's owner-occupied rehabilitation waiting list. The Mod Rehab Program will cover health and safety type repairs that can not be resolved under the existing Emergency Repair Program (ERP) because of types of repairs required and the cost to correct these repair items. These homes often have serious health and safety problems that are a combination of emergency repair needs that exceed the normal program funding limits. These repairs include leaking roofs, inadequate or no heating, plumbing problems, and structural and electrical problems. These items are normally addressed one or two at a time in the ERP Program. Often the homes in the ERP Program are in such disrepair that most of the repair items have to be addressed. For this reason, the Mod Rehab Program will be used as an alternative when the cost of correcting health and safety type problems exceed ERP funding limits. The Mod Rehab program will not address all of the code violations, but will provide a method to take care of most of the health and safety repair items that exist in a home.
- b) **State Fiscal Year.** 2002 ~~2003~~-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award \$20,000. The average award is estimated to be \$18,000 per unit.

- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10-year non-amortizing, deferred payment loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the date of the closing settlement, the mortgage is forgiven 10% per year. If the recipient defaults on the terms mortgage, then the un-prorated portion of the loan shall become due and payable.
- g) **Other Funds Leveraged.** Mod Rehab funds are leveraged primarily with the City's public funding sources such as CDBG and HOME. When the cost and scope of work make it non-feasible to complete a project, funding for the Mod Rehab Program may be pooled with the Roof and/or Flexible Financing Programs.

7. HOUSING RECONSTRUCTION PROGRAM (HRP)

- a) **Description of Activities.** The Housing Reconstruction Program (HRP) will address the housing needs of very low and low-income homeowners whose units are infeasible to rehabilitate due to the major code violations, and the exorbitant cost of repairs required to make these dwellings meet the minimum housing code requirements. Funding for this program will be reserved for homeowners who are already on the City's owner-occupied rehabilitation waiting list. The HRP program will assist a homeowner with demolishing the existing home and rebuilding a new home on the same site. The house plans will be provided from the City's Affordable Homes Library. If applicable, the city may provide temporary relocation assistance to a homeowner in accordance with the guidelines of the City's Optional Relocation Policy.
- b) **State Fiscal Year.** 2002 2003-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award is \$55,000. The average award is estimated to be \$50,000 per unit. Based on the cost to construct the new home, the funds will be provided as follows: ☉ Tier 1: a maximum of a \$20,000, zero-interest 10 (ten)-year grant ☉ Tier 2: Tier 1 plus a maximum of a \$20,000, zero-interest, 10 (ten)-year deferred payment loan; ☉ Tier 3: up to a maximum of a \$15,000, zero-interest, 10 year due on sale loan.
- f) **Recapture Provisions.** A subordinate mortgage is recorded on the property. The mortgage is a 10-year zero-interest rate, deferred payment loan and a 10-year zero-interest rate due on sale loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the closing settlement, the deferred payment is forgiven 10% per year. If the recipient defaults on the terms of the mortgage, then the un-prorated portion of the deferred payment and due-on-sale shall become due and payable. If the recipient defaults on the terms grant, then the un-prorated portion of the grant will not be recaptured.

- g) **Other Funds Leveraged.** HRP funds are leveraged primarily with the City's public funding sources such as CDBG and HOME. When the cost and scope of work make it non-feasible to complete a project, funding for the Roof Program may be pooled with the Flexible Financing Program.

8. FLEXIBLE FINANCING (FLEX)

- a) **Description of Activities.** The SHIP Flexible Financing Assistance Program will be used to fund improvements and construction related expenses for new and/or existing owner-occupied single-family housing units. Flexible Financing may be used for construction expenses such as, on-site improvements, construction interest loan payments on housing projects, landscaping, fencing, appraisals, survey property inspections, energy efficiency inspections, closing costs and other related construction expenses. Flex Funds are reserved for homes that are constructed or rehabilitated directly by the City.
- b) **State Fiscal Year.** ~~2002~~ 2003-2005
- c) **Income category proposed to be served.** Very Low, Low and Moderate-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award is ~~\$5,000~~ \$8,000. The average award is estimated to be ~~\$4,000~~ \$6,500 per unit.
- f) **Recapture Provisions.** Assistance will be provided in the form of a grant, so individual recipients will not be required to repay funds used for flexible financing.
- g) **Other Funds Leveraged.** Flex funds are leveraged primarily with the City's public funding sources such as CDBG, HOME, local revenue and State HOME.

9. OWNER-OCCUPIED REHABILITATION PROGRAM (FULL REHAB)

- a) **Description of Activities** The Full Rehab Program addresses the housing needs of eligible very low and low-income homeowners by repairing all code violations, unsafe and unsanitary housing conditions that exist in the unit. The code violations and housing conditions in these homes are often substandard, dangerous and life threatening. The Full Rehab Program provides extensive rehabilitation services to eliminate code violations, unsafe and unsanitary housing conditions such as, roofing, structural damage, electrical, plumbing, termite/pest infestation, heating, painting, doors and windows. This program is the only rehabilitation program available in the City that provides substantial rehabilitation. Although this program is available Citywide, it will target very low and low-income neighborhoods that have been identified as having the greatest concentration of housing needs. The Consolidated Plan identifies these neighborhoods to be primarily in Northeast and Southeast Gainesville and the central city districts of Porters, Pleasant Street and the Fifth Avenue neighborhoods.

- b) State Fiscal Year. 2003-2005
- c) Income category proposed to be served. Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) Selection criteria for eligible households. Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) Maximum Award. The maximum award \$36,000. The average award is estimated to be \$30,000 per unit. Based on the cost to construct the new home, the funds will be provided as follows: ☉ Tier 1: a maximum of a \$18,000, zero-interest 10 (ten)-year forgivable deferred payment loan ☉ Tier 2: Tier 1 plus a maximum of a \$18,000, zero-interest, 10 (ten)-year grant.
- f) Recapture Provisions. A subordinate mortgage in an amount up to \$18,000 will be recorded on the property. The mortgage is a 10-year non-amortizing, deferred payment loan. As long as the recipient continues to own and occupy the property as a principal residence, then on each of the first ten (10) anniversaries of the date of the closing settlement, the mortgage is forgiven 10% per year. If the recipient defaults on the terms mortgage, then the un-prorated portion of the loan shall become due and payable. If the project costs exceed the deferred payment loan amount, then a grant will be provided in an amount of up to \$18,000. The individual recipients will not be required to repay grant funds.
- g) Other Funds Leveraged. Full Rehab Program funds are leveraged with the City's public funding sources such as CDBG and HOME. When the cost and scope of work make it non-feasible to complete a project, funding for the Full Rehab Program may be pooled with the Flexible Financing Program.

9. FENCE PROGRAM CEDAR GROVE II

- a) Description of Activities
~~To maintain uniformity in the Cedar Grove II development, the City of Gainesville has created a fencing program to help defray some of the expenses of producing a consistent, uniform look for the Cedar Grove II neighborhood. The fencing will also add to the aesthetics and character in the Cedar Grove II neighborhood. All fences shall be six-foot pressure-treated wood stockade privacy fence. The finish of the fencing shall remain as natural wood or treated with a clear or brown tinted stain to preserve the wood. No chain-link fences are allowed. No fences shall be erected without the prior approval of the Architectural Control Committee in order to promote the continued unity of the neighborhood. Privacy fences shall be allowed in areas as per the pre-approved fencing layout for the Cedar Grove II homes.~~
- b) State Fiscal Year. ~~2002-2005~~
- c) Income category proposed to be served. ~~Very Low, Low and Moderate income households as defined by the U. S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida for use in the SHIP Program.~~
- d) Selection Criteria for eligible households. ~~Funds will be made available to eligible families in on a first-come first-served basis. If funds are not available, then the City will establish a waiting list~~

program.

- e) ~~**Maximum Award.** The maximum award \$3,000. The average award is estimated to be \$2,500 per unit.~~
- f) ~~**Recapture Provision.** Assistance will be provided in the form of a grant, so recipients will not be required to repay funds used for fence program.~~
- g) ~~**Other Funds Leveraged.** The Fence Program funds may be leveraged primarily with private funding sources.~~

10. MORTGAGE FORECLOSURE INTERVENTION PROGRAM (MFI)

- a) **Description of Activities.** The Mortgage Foreclosure Intervention Program (MFI) offers qualified homeowners an opportunity to avoid foreclosure and retain their homes. Funds will be provided as a grant to eligible homeowners to assist with bringing their mortgage payments current prior to the start of the foreclosure process. Eligible expenses include delinquent mortgage payments (principal, interest, taxes and insurance), attorney's fees, late fees and other customary fees.
- b) **State Fiscal Year.** 2002 2003-2005
- c) **Income category proposed to be served.** Very Low, Low and Moderate-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program.
- e) **Maximum Award.** The maximum award is \$4,000. The average award is estimated to be \$3,500 per unit.
- f) **Recapture Provisions.** Assistance will be provided in the form of a grant, so individual recipients will not be required to repay funds used for mortgage foreclosure intervention.
- g) **Other Funds Leveraged.** MFI funds are leveraged primarily with the private lending sources.

11. DISASTER MITIGATION/RECOVERY

- a) **Description of Activities.** In the event of a federal, state or local declared natural disaster, the City of Gainesville will provide disaster mitigation and/or recovery funds to assist income eligible households in the City of Gainesville for the purpose of repairing/rebuilding eligible housing directly affected by the disaster. The damaged to the homes must be declared a natural disaster. Eligible expenses include the purchase of emergency supplies to weather proof damaged homes, interim repairs to a unit to avoid further damage, tree and debris removal required to make the housing unit habitable, and post-disaster assistance for non-insured repairs required for the unit to meet the City of

Gainesville minimum housing standards. Funds may not be used to repair or purchase mobile homes. Funds may be used to remove a mobile home destroyed in a natural disaster.

This strategy will only be implemented in the event of a natural disaster affecting part or all of the City of Gainesville. The City Commission reserves the right to transfer unencumbered SHIP funds to this contingency strategy. Staff will work with the Alachua County Emergency Management Office and FEMA officials to determine areas of need. SHIP funds will be used to leverage private insurance, FEMA funding, and other special funding available.

- b) **State Fiscal Year.** 2002 2003-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Funds are made available based on a first-come, first-served basis. If funds are not available, then the City will establish a waiting list program. Applicants must own and occupy the property as a principal residence.
- e) **Maximum Award.** The maximum award is \$2,000. The average award is estimated to be \$1,500 per unit.
- f) **Recapture Provisions.** Assistance will be provided in the form of a grant, so recipients will not be required to repay funds used for disaster recovery.

B. Rental Housing:

1. SPECIAL NEEDS PROGRAM

- a) **Description of Activities.** Development of special needs housing is an eligible activity and is considered as rental housing construction or rehabilitation. Through an inter-local agreement, the City of Gainesville and Alachua County will jointly sponsor a fund targeted to the construction and rehabilitation housing for persons with special needs. Funds will be available for qualified sponsors who serve households with special housing needs, as defined by Chapter 67-37.002 (13) Florida Administrative Code. These include, but are not necessarily limited to the: 1) homeless; 2) disabled; 3) persons with HIV/AIDS; 4) mentally ill; 5) battered women; and/or 6) runaway children or youth. New construction, rehabilitation, weatherization, code compliance, emergency repairs, accessibility for disabled persons, and conversions are eligible activities. Special needs housing facilities are not restricted as to geographical location, but must be located within Alachua County.
- b) **State Fiscal Year.** 2002 2003-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program. Housing must meet income certification guidelines as provided in the Special Needs Income Certification Plan & Monitoring Strategy.
- d) **Selection criteria for eligible households.** The City and County will advertise availability of funds. Qualified non-profit sponsors may compete for SHIP funds. Sponsors are selected according to the procedures and selections criteria shown in **Attachment 4**. Special needs housing is made available by sponsors to eligible households on a most needed first-come, first-served basis. To qualify, applicants must be income eligible under SHIP guidelines and select housing offered by a qualified SHIP funded sponsor; and the housing must meet SHIP criteria. "Low-income person" or "low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the non-metropolitan median for the state, whichever amount is greatest. With respect to rental units, the low-income household's annual income at the time of initial occupancy may not exceed 80 percent of the area's median income adjusted for family size. While occupying the rental unit, a low-income household's annual income may increase to an amount not to exceed 140 percent of 80 percent of the area's median income adjusted for family size. "Very low-income person" or "very low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental unit, a very low-income household's annual income at the time of initial occupancy may not exceed 50 percent of the area's median income adjusted for family size. While occupying the rental unit, a very low-income household's annual income may increase to an amount not to exceed 140 percent of 50 percent of the area's median income adjusted for family size.
- e) **Maximum Award.** The maximum award is \$6,000 per bedroom for each unit. The average award is estimated to be \$4,500 per unit.

- f) **Recapture Provisions.** Funds are provided to sponsors as a grant with no recapture provision. The housing must remain affordable and occupied by income eligible beneficiaries for a period of 15 years. All SHIP assisted rental properties offered for sale prior to the 15-year term of affordability must be subject to a right of first refusal for purchases at the current market value, less the amount of the SHIP subsidy, by eligible nonprofit organizations who would provide continued occupancy by eligible persons.

Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored at least annually for 15 years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements. ~~In determining the maximum allowable rents, 30 percent of the applicable income category divided by 12 months shall be used based on the number of bedrooms. A one-person household shall be used for an efficiency unit, and for units with separate bedrooms, one and one-half persons per bedroom shall be used. The Corporation will provide a rental limit chart based on the above calculation adjusted for bedroom size to the local governments annually.~~ In determining the maximum allowable rents, "Affordable" means that monthly rents or monthly 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 Section 420.9071 (2), subsection (19) and subsection (28), Florida Statutes. The rent limit chart is provided by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

- g) **Other Funds Leveraged.** Special Needs funds may be leveraged with a variety of funds, including private, federal, state and local resources.

Special Needs Strategy Income Certification Plan & Monitoring Strategy

It is recognized that special needs housing projects face unique situations that render some standard procedures, such as income certifications, difficult or impossible to comply with. For example, an emergency shelter does not have the time, manpower or resources to gather the essential documentation such as third party verifications, to verify that an individual meets program income requirements. For this reason, this plan provides alternative guidelines for determining income eligibility for special needs strategies. The following criteria shall be utilized for income certifications for the Special Needs Strategy:

Eligible persons shall include individuals, families and households that are determined by the City to have annual household incomes that are less than 80% of the median family gross income adjusted for family size as stipulated in the annual income limits published by the United States Department of Housing and Urban Development distributed and updated annually by the Florida Housing Finance Corporation. Annual gross income shall be determined under one of the following methods; 1) the Section 8 housing assistance payments programs in 24 C.F.R. part 5; 2) annual income as reported under the census long form ; 3) adjusted gross income as defined for purpose of reporting under Internal Revenue Services Form 1040 for individual federal annual income tax purposes; 4) projected annual income using the deposits from three months of bank statements; or 5) projected annual income using one month of pay stubs. Within 30 days of executing a contract with a Special Needs sponsor, staff will review the sponsor's client records to determine which income certification procedures are applicable. City staff will review the unique income and asset documentation that is accessible to the applicant. Based upon this review, the applicant shall be deemed homeless if there is no access to income and shall be considered income eligible for residential placement. Special Needs project and income certification procedures will be defined as one of the following:

Stage One Housing Projects include those intended to serve those at risk of becoming homeless, economic homeless, situational homeless, or chronic homeless. The housing serves as an entry shelter that functions on an emergency basis to provide immediate shelter, stabilization, treatment, and case management. A checklist shall be provided by the sponsor agency containing all income information gathered for each resident. Income Certification. Upon intake, gross family income will be determined through the use of information that is available including pay stubs, tax returns, verification from employers and financial institutions. Persons considered homeless according to HUD definition will be considered eligible. A determination of income eligibility shall be made upon provision of housing services.

Stage Two Housing. Projects which provide temporary housing, such as transitional shelters that function to provide family or personal accommodation for extended periods of time until the resident can move to permanent housing. Supportive services are coordinated and provide to the resident based on need. Income Certification. Anticipated annual gross income be certified according to standard SHIP rules, including the Section 8 housing assistance payments programs in 24 CFR, part 5 methodology.

Stage Three Housing. Permanent housing that will be affordable to persons with special needs. Supportive services and environmental modifications are provided as needed. The goal of the housing is to provide the greatest independence possible in the least restrictive setting with the purpose of enhancing the quality of life as well as functional abilities. Income Certification. Anticipated annual gross income shall be certified according to standard SHIP rules, including the Section 8 housing assistance payments programs in 24 CFR, part 5 methodology.

Rental units constructed, rehabilitated, or otherwise assisted with SHIP funds must be monitored at least annually for 15 years for compliance with tenant income and affordability requirements. However, if the Florida Housing Finance Corporation provides the same monitoring and determination, the City will rely on such monitoring and determination of tenant eligibility. Annual monitoring shall be submitted to the city on a form provided by the city and shall include income level, race, age, amount of assistance provided, and other information. ~~Maximum rents allowed are based on the number of bedrooms. Rents are provided annually by the Florida Housing Finance Corporation.~~ In determining the maximum allowable rents, "Affordable" means that monthly rents or monthly 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 Section 420.9071 (2), subsection (19) and subsection (28), Florida Statutes. The rent limit chart is provided by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program. The number of rental units for each SHIP assisted project to be monitored and considered assisted with SHIP funds shall be based upon the pro-rata share of SHIP funds invested in the development in relationship to the development cost.

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 non-profit organizations for purchase at the current market value for continued occupancy by eligible persons, as provided by Section 420.9075 (4)(f), Florida Statutes.

2. NEW RENTAL CONSTRUCTION PROGRAM

- a) **Description of Activities.** The purpose of the New Rental Construction Program is to provide a local government contribution to qualified developers to stimulate the construction of new rental housing units for very-low and low-income households. Eligible expenses include construction costs only. The rental projects must be located in neighborhoods within the City that have no and/or a shortage of affordable rental units available for very low and low-income households. Eligible applicants may include individuals, non-profit corporations, partnerships, for-profit corporations or limited liability companies. Proposed projects must be ready to begin construction upon approval of funds.
- b) **State Fiscal Year.** ~~2003-2005~~ 2003-2004 and 2004-2005
- c) **Income category proposed to be served.** Very Low and Low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.
- d) **Selection criteria for eligible households.** Availability of funds will be advertised by the City. SHIP funds are available to qualified developers on a competitive basis. Projects are selected according to the procedures and selection criteria shown in **Attachment 5**. To qualify, applicants must be income eligible under SHIP guidelines and select housing offered by a qualified funded developer; and the housing must meet SHIP criteria.
- e) **Maximum Award.** The maximum award available is \$100,000 per project.
- f) **Recapture Provisions.** All rental housing must be rented at affordable rates (i.e., rents will not exceed those limits adjusted for number of bedrooms established by HUD and adopted by the State of Florida for use in the SHIP Program) to qualified occupants for a period of 15 years. SHIP funds will be provided as a low interest loan repayable over a 20-year period, at an interest rate of 3%. Funds will be disbursed to approved borrowers only on a draw basis for work actually completed. If the property is transferred before the 15-year affordability period, the full amount of the loan will be due and payable to the City SHIP Trust Fund. If the new buyer is eligible for the program, the loan may be assumed, as long as, all other SHIP requirements are met. All SHIP assisted rental properties offered for sale prior to the 15-year term of affordability must be subject to a right of first refusal for purchases at the current market value, less the amount of the SHIP subsidy, by eligible nonprofit organizations who would provide continued occupancy by eligible persons. Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored at least annually for 15 years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements. ~~In determining the maximum allowable rents, 30 percent of the applicable income category divided by 12 months shall be used based on the number of bedrooms. A one-person household shall be used for an efficiency unit, and for units with separate bedrooms, one and one-half persons per bedroom shall be used. The Corporation will provide a rental limit chart based on the above calculation adjusted for bedroom size to the local governments annually. In determining the maximum allowable rents, "Affordable" means that monthly rents or monthly 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 Section 420.9071 (2), subsection (19) and subsection (28).~~ Florida Statutes.

The rent limit chart is provided by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

- g) **Other Funds Leveraged.** New Construction Rental funds may be leveraged with a variety of funds, including HOME, CDBG, SAIL, Tax Credits, and other private/public resources.

V. INCENTIVES FOR AFFORDABLE HOUSING

Pursuant to the requirements of the State Housing Initiatives Partnership (SHIP) Act, on March 28, 1994, the Gainesville City Commission adopted the Affordable Housing Incentive Plan (AHIP). On April 22, 2002, the revised AHIP was adopted by the Gainesville City Commission. The AHIP outlines a series of locally developed incentives to facilitate and promote the production of affordable housing in the City of Gainesville (City), as specified in Section 420.9076 of the Florida Statutes. The following approved incentives and the implementation status of each incentive are addressed as follows:

INCENTIVE 1. DEFINITION OF AFFORDABLE HOUSING

Housing units or projects meeting the following criteria for affordable housing should be eligible for the incentives outlined in this plan: 1) A housing unit with a total projected cost or sales price (including all permits, fees, taxes, and other costs) that does not exceed 160% of the current approved Gainesville's HUD Median Area Income, adjusted for family size; and which address a need or goal identified in the current approved City's CHAS. 2) Non owner-occupied units which will be reserved for low or very low-income households as defined by HUD at a monthly cost (including utilities and related costs) that does not exceed 30% of the total monthly income, adjusted for family size.

Schedule for Implementation: On-going.

Strategy Implementation: The cost reductions anticipated from implementing this incentive would vary on a case-by-case basis. The savings will benefit eligible households by reducing the cost of the unit and increasing the affordable housing stock.

Strategy Status: The City of Gainesville currently does not have set criteria for determining whether or not housing is affordable for the purpose of awarding incentives. For density bonus points, affordable housing is defined as housing designed and priced to be consistent with the current "Fair Market Rent" established by HUD.

INCENTIVE 2. EXPEDITED PERMITTING

Adopted Ordinance #0-99-71 established the City's Fast Track building permit program. The City provides a fast track system to improve permit processing efficiency and reduce the time required for residential and commercial permit issuance for projects within the City. Policy 1.1.8 of the Housing Element of the Comprehensive Plan provides that "The City shall continue to implement the Fast Track permitting process, which will reduce the time that applications for new residential, residential additions, and residential interior remodeling spend in the review process." The Fast Track program applies to all residential and commercial housing projects within the City.

Schedule for Implementation: On-going.

Strategy Implementation: The Fast Track program is implemented by the City's Building Inspection Department. This program gives contractors, developers and owners the option to request the fast track service when making an application for the permit. This program provides a faster turn around for approving permits because the applicants are willing to pay an additional fee for a faster review process.

Strategy Status: The program reduces the City's permit processing time by allowing the Building Division to issue an approved permit within 8 working days, assuming no additional requirements are needed.

INCENTIVE 2a. Historic Preservation Board Review Process

The Affordable Housing Advisory Committee identified the Historic Preservation Board Review process as a barrier to addressing affordable housing needs in targeted neighborhoods within the Historic Districts. This incentive requires a streamlining process for affordable housing projects.

The implementation of this incentive may impact the public welfare by reducing development restrictions in historic districts. The public safety and welfare will be increased, however, by removing impediments to the production of affordable housing and to the removal of slum and blight conditions in target neighborhoods.

Schedule for Implementation: This policy is currently functioning to the extent required.

Strategy Implementation: The cost reductions from implementing this incentive will be on a case-by-case basis for projects or units proposed within the Historic District. These cost reductions will benefit eligible households by lowering the per unit cost and increasing the production of affordable housing.

Strategy Status: There are presently no exceptions given to affordable housing in the Historic Preservation Board Review process. Policy 3.1.10 of the City's Housing Element 2000-2010 calls for the study of the feasibility of this kind of program.

Incentive 2b. Removal of Non-Contributing Properties located in Historic Districts.

There are numerous dilapidated/substandard units located within historic districts, which contribute significantly to slum and blight. Policy 1.3.3 of the City's Historic Preservation Element encourages the use and rehabilitation of historic structures, relocation to another site for re-use, selective dismantling for re-use and as a last resort demolition of historic structures.

Schedule for Implementation: This policy is currently functioning to the extent required.

Strategy Implementation: The implementation of this incentive will have no direct impact on housing costs, although it will make more land available for residential infill development at sites where infrastructure is in place

Strategy Status: There are currently no programs for the widespread removal of these units from historic districts. The most extremely dilapidated units are removed periodically if rehabilitation is completely infeasible.

INCENTIVE 3. RESERVATION OF INFRASTRUCTURE CAPACITY

A lack of infrastructure capacity can add significantly to the cost of housing due to the delays and expensed of providing such capacity. The reservation of infrastructure capacity refers to a system by which a portion of the existing infrastructure capacity is not a barrier to the provision of affordable housing in the City of Gainesville. If infrastructure capacity becomes a problem at a future date, this incentive directs the City to make reservations for affordable housing developments.

Schedule for Implementation: Implementation of this incentive will occur when and if infrastructure capacity becomes a problem in the City of Gainesville. The Gainesville Regional Utility company maintains ample water/wastewater capacity. Storm water capacity is handled on a site-by-site basis. The Transportation Concurrency Exception Area (TCEA) covers a substantial portion of the City and allows for development to occur along roads that are over their traffic capacity to encourage development such as urban redevelopment

and infill (mitigation is required in the form of various improvements that must be made by developers).

Strategy Implementation: This incentive will reduce housing costs on a case-by-case basis by avoiding the expense and delays associated with a lack of infrastructure for affordable housing. The savings will benefit eligible households by lowering per unit costs.

Strategy Status: There are presently no provisions to reserve infrastructure capacity for affordable housing in the City.

INCENTIVE 4. INCREASED DENSITIES

The allowance of increased densities for affordable housing developments can reduce land costs. The City of Gainesville currently awards density bonus points for affordable housing. Affordable housing is defined as housing which is designed and price to be consistent with the current "Fair Market Rent" established by HUD. Such a project shall be awarded 8 points if 10% of the housing of the project are set-aside as affordable housing. Such a project shall be awarded 10 points if at least 20% of the project is set-aside as affordable housing.

Schedule for Implementation: To increase the availability of affordable housing to lower income citizens who are otherwise renting a home due to inability to afford homeownership. In addition, to achieve the socialization benefits associated with the neighborhood integration of varying income classes.

Strategy Implementation: The continued Implementation of this incentive will reduce the per unit housing costs by lowering land costs for affordable housing. These savings will result in lower housing costs for eligible households.

Strategy Status: The City currently awards density bonus points for affordable housing.

INCENTIVE 5. REDUCTION OF PARKING REQUIREMENTS

Despite less traffic volume, residential uses often have the same parking requirements as commercial uses. The reduction of parking requirements can lower development and land costs for affordable housing. The Transportation Element for the City contains a policy that calls for parking requirements to be reduced, where appropriate.

Schedule for Implementation: On-going.

Strategy Implementation: The implementation of this incentive will lower housing costs on a case-by-case basis by reducing development and land costs. Those savings will lower the per unit cost for eligible households.

Strategy Status: The City currently has no provision to reduce parking requirements for affordable housing. However, the City's policy provides for less parking in appropriate areas, which will indirectly result in increased public health and safety, since larger parking lots reduce public safety and reduce the amount of walking, bicycling, and transit since car trips are increased. The City's parking requirements in place now do not contribute to housing costs.

INCENTIVE 6. ZERO- LOT-LINE DEVELOPMENTS

The City should continue to allow zero-lot-line developments as was done in the Ingleside Villas. Zero-lot-line developments have no required setbacks. These developments therefore allow the use of more land

construction and smaller lot sizes.

Schedule for Implementation: On-going.

Strategy Implementation: The continued allowance of zero-lot-line (or small setback) developments in appropriate locations will lower overall housing costs by reducing land costs on a case-by-case basis. This reduction will benefit eligible households by lowering per unit costs.

Strategy Status: The City currently allows zero-lot-line developments as evidenced by its use in the Ingleside Villas development. Ingleside Villas was developed as a Planned Development (PD); a new zero-lot-line development can still be developed as a PD. Costs saving subdivision and building design can also be achieved through the cluster subdivision ordinance (Section 30-190 of Land Development Code).

INCENTIVE 7. MODIFICATION OF STREET REQUIREMENTS
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Modification should simply call for more modest street widths. "Effects" should be revised: more modest street widths increase life safety since the life safety benefits of slower average car speeds and increased motorist attentiveness in neighborhoods created by more modest widths are substantially more significant than any declined in life safety due to minor increases in emergency vehicle response times.

Schedule for Implementation: On-going.

Strategy Implementation: Housing cost reductions will vary on a case-by-case basis depending upon the modifications made. These savings will result in lower costs for eligible households.

Strategy Status: The requirement street width in the City is currently 24 feet. The City generally requires relatively modest street widths.

INCENTIVE 8. EVALUATION OF REGULATIONS BEFORE ADOPTION

The purpose of this incentive is to set up a process by which new regulations are reviewed to determine their impact on affordable housing, and to mitigate any negative impacts if feasible and appropriate.

Schedule for Implementation: On-going. Reviews are conducted as required based upon ordinances and policies that are presented for consideration by the Gainesville Board of Commissioners.

Strategy Implementation: While the implementation of this incentive does not have a direct impact on housing cost, it assists in the identification and mitigation of new and existing regulations that may impact affordability.

Strategy Status: The City reviews and evaluates zoning and other regulations that pertain to housing to insure that requirements are to be continued reasonably and do not unduly limit opportunities for lower income groups to secure housing in desirable locations. Zoning and land use petitions generally include a paragraph of what the impact of the petition will be on affordable housing, if there is any impact.

INCENTIVE 9. INVENTORY OF PUBLIC LANDS

The City of Gainesville currently maintains an inventory of the public land available for affordable housing. An inventory of the public lands available for the development of affordable housing is an important resource for housing developers.

Schedule for Implementation: On-going.

Strategy Implementation: The City's GIS system queries can be made to show the parcels of land owned by the City, the County or other agencies. This information can be mapped with the zoning and land use.

Strategy Status: The City currently maintains an inventory of the public land available for affordable housing.

INCENTIVE 10. PUBLIC – PRIVATE PARTNERSHIPS
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The City encourages continued participation by the private sector in providing affordable housing and adequate housing education program. Private sector involvement is key to the achievement of the City's affordable housing goals. This incentive greatly expands the resource base available for affordable housing by maximizing the leveraging of public-private dollars.

Schedule for Implementation: On-going.

Strategy Implementation: Policy 1.21 of the Housing Element (2000-2010) states that the Department of Community Development through the First Step Program continue to assist private and non-profit housing developers in identifying sites for extremely low, very low and low-income housing projects.

Strategy Status: The City continues to spearhead public-private partnerships through the SHIP Program and other affordable housing initiatives in efforts to build and maintain public-private partnerships.

VI. TIMETABLE OF EXPENDITURE

SEE ATTACHMENTS 6A, 6B & 6C

VII. AFFORDABILITY

A. INCOME LIMITS

For housing units produced by SHIP, the City will utilize the U.S. Department of HUD applicable income guidelines for very low, low and moderate-income households, adjusted by family size, in the Gainesville-Alachua County Metropolitan Statistical Area, as they may be revised from time to time and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for the use in the SHIP Program.

B. ELIGIBLE HOUSING

In order to qualify as eligible housing under the SHIP Program, the unit purchased shall have a sales price equal to or less than 90% of the median area purchase price of a new (\$106,365) or existing (\$98,523); the Average Purchase Price Limits as adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

Mortgage payments and monthly rents (including principal, interest, taxes and insurance and monthly rents) shall not exceed 30% of that amount which represents the median annual gross income for very low, low and moderate-income households, adjusted for family size; unless the first mortgage lender is satisfied that a household can afford mortgage payments in excess of the 30 percent benchmark. ~~Maximum gross rents are provided by HUD and updated annually by the Florida Housing Finance Corporation.~~

In determining the maximum allowable rents, "Affordable" means that monthly rents or monthly 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 Section 420.9071 (2), subsection (19) and subsection (28), Florida Statutes. The rent limit chart is provided by the U.S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and distributed by the Florida Housing Finance Corporation for use in the SHIP Program.

VIII. ADVERTISEMENT AND OUTREACH

The City of Gainesville shall advertise the notice of funding availability 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. Advertising and outreach for the SHIP Program are also facilitated through functions as homeownership training courses, community workshops and referrals through banks and realtors.

WAGES Participation

The SHIP Program will determine in its selection criteria for qualified sponsors, if the organization employs participants of the WAGES program. Preference will be given to applicants who document that they are currently providing employment opportunities to WAGES and Workforce Development Initiatives Program participants. The awards process will insure that at least 30% of the funds will be used to assist very-low income persons and that an additional 30% of the funds will be used to assist low- income households.

IX. ADMINISTRATION

A. PROGRAM ADMINISTRATION

The City of Gainesville Housing Division shall be responsible for the administration of the SHIP Program. The functions of the administrator will be the execution of the Local Housing Assistance Plan, including preparation of plan, formation of administrative guidelines and policies, advertisement of funds availability, partnership development, review of proposals, annual compliance procedures and reports and fiscal management of funds disbursement according to SHIP and local regulations.

The Housing Division with the assistance of the SHIP Steering Committee, will continue to implement the City' LHAP, and will carry out other programs related to housing affordability, accessibility and development policies.

B. BUDGET LIMITATIONS

The City will budget ten percent of its total SHIP allocation to support City program administration costs, including salaries and benefits of SHIP program administrators, operating expenses, printing and copying costs and costs of advertising availability of funds to support partnership activities such as advertising of partnership meetings, printing and copying costs, community workshops and other eligible costs; and to provide administration costs to funded program sponsors and/or administrators. Recaptured funds and program income will be used for eligible SHIP activities described in the Housing Delivery Goals Chart. If applicable, periodic adjustment of funding allocations among and within program and administration activities, will be made as permitted by state and local regulations, when it appears that it will not be possible to encumber or expend all monies in one or more categories for a given fiscal year within the required period provided by law or when mid-year adjustments in revenue projections and funding levels are made by the funding agency. Administration budgets for FY 2002-2003, 2003-2004 and 2004-2005 are provided in **Attachment 8**.