

**Resolution No. 090329**  
**Passed: September 3, 2009**

**A RESOLUTION OF THE CITY COMMISSION OF  
THE CITY OF GAINESVILLE, FLORIDA  
APPROVING AN AMENDMENT TO THE CITY OF  
GAINESVILLE 2009-2011 LOCAL HOUSING  
ASSISTANCE PLAN TO IMPLEMENT THE  
FLORIDA HOMEBUYER OPPORTUNITY  
PROGRAM AND PROVIDING AN EFFECTIVE  
DATE.**

**WHEREAS**, City of Gainesville is eligible to receive funding from the Florida Housing Finance Corporation in the form of State Housing Initiative Partnership (“SHIP”) Funds; and

**WHEREAS**, on April 14, 2008, the City Commission approved the City’s 2009-2011 Local Housing Assistance Plan (“LHAP”); and

**WHEREAS**, on April 14, 2008, the City Commission approved an Ordinance establishing the Affordable Housing Advisory Committee; and

**WHEREAS**, on May 27, 2009, Governor Crist signed the SB 2600 budget bill into law, which included a provision to create a new program utilizing state funds to assist first-time homebuyers called the Florida Homebuyer Opportunity Program (“FHOP”); and

**WHEREAS**, the intent of FHOP is for state and local governments to be able to provide a bridge loan in the expected amount of the federal First Time Homebuyers Tax Credit (the lesser of ten percent (10%) of the purchase price or a maximum of Eight Thousand Dollars) to qualified first-time buyers to assist them with the purchase of their homes at the time of closing; and

**WHEREAS**, those homebuyers who qualify for the federal First-Time Homebuyer Tax Credit will be able to apply for FHOP assistance, and will be required to repay the amount borrowed in accordance with the FHOP Strategy in the City’s LHAP; and

**WHEREAS**, the City of Gainesville anticipates receiving One Hundred Eighty-Six Thousand Eight Hundred Eighty Six Dollars (\$186,886) from the FHOP, of which up to ten percent (10%) may be retained by the City for the cost of administering the program; and

**WHEREAS**, state law requires the City of Gainesville amend its LHAP in order to implement the FHOP Program within the City;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA that:**

**Section 1:** The City Commission of the City of Gainesville, Florida hereby amends the City's Local Housing Assistance Plan for state fiscal years 2009-2011 to implement the FHOP strategy, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes.

**Section 2:** The City Manager or designee is hereby designated and authorized to execute any further documents and certifications required by the Florida Housing Finance Corporation as related to this amendment to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the terms and conditions of the FHOP program.

**Section 3:** That this resolution shall be in full force and effect immediately upon its passage and adoption.

**PASSED AND ADOPTED** this 3rd day of September, 2009.

  
\_\_\_\_\_  
PEGEEN HANRAHAN  
MAYOR

ATTEST:

  
\_\_\_\_\_  
Kurt M. Lanning, Clerk of the Commission

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
Marion J. Radson, City Attorney

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**L. Florida Homebuyer Opportunity Program**

- a. **Summary of the Strategy:** This strategy is designed in response to the legislative provision requiring SHIP local governments to expend 2009-2010 funds to ensure that residents of the state derive the maximum possible economic benefit from the federal first-time homebuyer tax credit created through The American Recovery and Reinvestment Act of 2009 by providing subordinate down payment assistance loans to first time homebuyers for owner occupied primary residences that can be repaid by the income tax refund the homebuyer is entitled to under the First Time Homebuyer Credit. The state program shall be called the "Florida Homebuyer Opportunity Program."
- b. **Fiscal Years Covered:** This strategy will cover 2009/2010 until expiration of the Florida Homebuyer Opportunity Program Tax Credit.
- c. **Income Categories to be served:** Up to \$75,000 for single taxpayers or \$150,000 for joint filers. There is no requirement to reserve 30 percent of the funds for awards to very-low-income persons or 30 percent of the funds for awards to low-income persons; and there is no requirement to expend 75% of funds for construction, rehabilitation or emergency repair.
- d. **Maximum Award:** The principal balance of the loan provided shall equal the anticipated amount of the recipient's First-Time Home Buyer Credit, and shall not exceed 10% of the purchase price of the home or \$8,000, whichever is less.
- e. **Terms, Recapture and Default:** The terms of the loan shall require the recipient to repay the loan immediately upon receipt of their federal tax refund. The loan will be secured by a subordinate due-on-sale mortgage lien recorded on the home being purchased. If repayment is made by the recipient within 18 months after the closing date of the loan, then the City of Gainesville shall waive all interest charges and will satisfy the subordinate mortgage lien. If repayment is not received by the City within the 18 months, the principal balance remaining at that time will be subject to a late payment penalty of 10%. The sum of the principal balance and penalty shall then be subject to interest at an annual rate of three percent (3%) amortized over 60 months. The recipient will be required to make regular monthly payments of principal and interest in accordance with the 60-month amortization schedule. If not paid in full after the 60 months, then the remaining balance of principal and interest will continue to accrue interest at an annual rate of five percent (5%), until paid in full. All funds repaid to a county or eligible municipality shall be considered SHIP "program income" as defined in s. 420.9071 (24).
- f. **Recipient Selection Criteria:** Recipients must meet the requirements of the following: The maximum income limit shall be Adjusted Gross Income of \$75,000 for single taxpayer households or \$150,000 for joint-filing taxpayer households, which is equal to that permitted by the American Recovery and Reinvestment Act of 2009.

The City will administer the FHOP utilizing the current Downpayment Assistance Program guidelines, with exceptions as noted herein for FHOP applicants. In addition, recipients must submit documentation, acceptable to the City, to confirm the recipient's eligibility for the federal First-Time Homebuyer Tax Credit.