

CITY OF CLEARWATER, FLORIDA



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2024-2025, 2025-2026, 2026-2027



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I. Program Details:

A. LG(s)

Name of Local Government	City of Clearwater
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	N/A

B. Purpose of the program:

- To meet the housing needs of the very low-, low- and moderate-income households;
- To expand production and preservation of affordable housing; and
- To further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2024-2025, 2025-2026, 2026-2027

D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services, and lead agencies of the local continuums of care.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with, or used to supplement, other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face-to-face meetings with housing providers, social service providers, and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach: SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

I. Waiting List/Priorities: A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan.



The following priorities for funding (very low income, Special Needs, etc.) described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

1. Special Needs Households:
 - a. Very low
 - b. Low
 - c. Moderate
2. Essential Services Personnel:
 - a. Very low
 - b. Low
 - c. Moderate
3. After Special needs and Essential Services Personnel goals are met:
 - a. Very Low
 - b. Low
 - c. Moderate

- J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.
- K. Support Services and Counseling:** Support services are available from various sources. Available support services may include, but are not limited to, Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, and Transportation.
- L. Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the average area purchase price established by the U.S. Treasury Department or as described above. Current purchase price limits can be found here: **Purchase Price Limits**

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

- M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

"Affordable" means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household



devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

- N. Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.
- O. Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any entity that has administrative authority for implementing the Local Housing Assistance Plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance, whichever is longer, unless as 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.
- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The city/county finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states: “A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.”

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except those small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.”

The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Admin. Fee Percentage
Local Government		7%
Third Party Entity/Sub-recipient		3%



- R. First-time Homebuyer Definition:** For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*
- S. Project Delivery Costs:** Project Delivery Costs will not exceed \$5,000 per project. Project delivery costs for the New Construction, Acquisition of Existing Home with or without Rehabilitation, Owner-Occupied Rehabilitation, Rental including project-related activities, such as: performing inspections, developing work write-ups, performing construction bid tasks, managing construction contracts, and approving change orders and project payments. Project delivery costs for the Purchase Assistance Strategy includes inspections of the housing units.
- T. Essential Service Personnel Definition (ESP):** ESP includes teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, and skilled building trades personnel.
- U. Describe efforts to incorporate Green Building and Energy Saving products and processes:**
The City will ensure that projects involving SHIP dollars will incorporate green building and energy saving products. The Housing Rehabilitation, Housing Reconstruction, Multifamily Rental Construction and Single-Family New Construction Strategies judiciously adhere to the U.S. Department of Housing and Urban Development's cost-effective energy conservation standards in consideration of economic feasibility for each project.
- When new appliances are to be installed, they are to be Energy Star™ rated to reduce the energy consumption of the residence which is being rehabilitated.
 - The addition of insulation in the attic to a nominal level of R30 to further reduce the energy consumption of cooling and heating units.
 - Installing new HVAC units which use less energy by being more efficient than previously installed units. The units must conform to the Florida Building Code and the Florida Energy Code (minimum of SEER 14) and they must be correctly sized for the building.
 - When new HVAC ducts are installed, they are required to be insulated to a minimum of R-8 in accordance with the Florida Energy Code.
 - Replacement windows are to be hurricane impact, insulated and Energy Star™ A.N.S.I.A 134.1, NFRC rated.
 - Replacing doors with new engineered products which creates better air sealing with the program required weather-stripping as well as being better constructed and more sustainable than existing products.
- V. Describe efforts to meet the 20% Special Needs set-aside:** The City of Clearwater will market its programs, with priority given to households with special needs. The Special Needs set-aside will be met through all



strategies with particular attention given to the owner-occupied rehabilitation and multi-family new construction/rehabilitation strategies. The City of Clearwater will give first priority, in all housing strategies, to serving persons with special needs with an emphasis on removing barriers. Florida Statutes 420.0004(13) defines Special Needs.

W. Describe efforts to reduce homelessness: The City of Clearwater initiated and maintains a comprehensive and holistic approach by establishing the City Homeless Initiative Program. The Homeless Initiative Program provides homeless individuals and families access to comprehensive services. The city has committed its support to organizations that provides wrap-around services that address the root causes of homelessness. In addition, the city contributes financially to the Homeless Leadership Alliance (HLA) which is the umbrella organization overseeing the continuum of care providers and the HMIS Homeless Management Information System in Pinellas County. The following are some of the ways in which city funds are being used to provide services to individuals and families experiencing homelessness.

- Overnight emergency, transitional, or permanent housing to homeless individuals and/or families.
- Delivery of case management.
- Transportation services for veterans to Bay Pines Hospital.

Section II. LHAP Strategies:

A. PURCHASE ASSISTANCE WITH REHABILITATION	Code 1, 9
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- a. **Summary:** The City of Clearwater through eligible developers (for profit and non-profit) will use SHIP funds to acquire, rehabilitate and resell single-family housing units. The costs may include acquisition, rehabilitation (to include innovative design and green principles) and other costs associated with the resale of the single-family housing units.

The City may use SHIP funds as a match for the HOME program to loan funds to eligible developers for acquisition and rehabilitation of existing housing units. Assistance will be repaid when the unit is sold to an eligible buyer.

Under this strategy, the Community Land Trust principles may be utilized. The Community Land Trust become stewards of the land and maintain it permanently beginning with a ninety-nine year, renewable ground lease. Developers and non-profits may purchase homes to be placed in a Community Land Trust. The homebuyers only own their home and sign a long-term lease on the land their home sits on. This ensures the affordability of the home because the homebuyer only obtains a mortgage on the structure.

For the Homebuyer:

The City of Clearwater through its housing programs and through its sub-recipients will use SHIP funds to provide down payment and closing costs assistance to eligible very-low-to moderate homebuyers of existing rehabilitated homes.

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027



- c. **Income Categories to be served:** Very low, low and moderate
- d. **Maximum Award:** \$300,000 per unit per the developers/nonprofits (including project delivery costs); \$77,000 for the homebuyer (\$75,000 Purchase Assistance loan + \$2,000 project delivery costs). For homebuyers, maximum assistance will be limited to gap financing, the lender's minimum down payment and reasonable closing costs, but shall not exceed \$75,000.
- e. **Terms:**
- For the Developer:**
1. Repayment loan/deferred loan/grant: Deferred payment mortgage and note not to exceed 24 months
 2. Interest Rate: 0%
 3. Years in loan term: Not to exceed 2 years
 4. Forgiveness: N/A
 5. Repayment: The loan is repaid when the house is sold, less a developer fee up to 15% of the construction costs. The developer fee is calculated as a percentage of the total development costs. Additionally, if the developer earns a return on investment (ROI) of less than 12% of total development costs, then the loan repayment amount will be reduced to provide for a 12% ROI. For the purposes of making this calculation, the developer fee is considered part of ROI. Additional information is available in the city's Single-Family New construction Developer Subsidy Policy which can be found here: <https://www.myclearwater.com/files/sharedassets/public/v/1/doing-business-in-clearwater/house-amp-development-grants-incentives-and-assistance/documents/single-family-new-construction-developer-subsidy-policy.pdf>
 6. Default: The loan becomes due and payable if, at end of the loan term, the home is not sold, or if the home does not have a sales contract
- For the Homebuyer:**
1. **Repayment loan/deferred loan/grant:** Funds will be awarded as an amortized loan and forgivable loan secured by a recorded subordinate mortgage and note.
 2. **Interest Rate:** 0%
 3. **Years in loan term:** 25
 4. **Forgiveness:** 50% of the loan is deferred for the loan term and forgiven at maturity if no event of default exists. For Very Low-income clients, 100% of the loan will be forgiven at the end of the loan term.
 5. **Repayment:** Payments on the amortized amount will commence after the deferral period of five (5) years and be amortized over twenty (20) years
 6. **Default:** The loan will be determined to be in default if any of the following occurs during the loan term.
 - a) Death of the borrower(s). In the event the homeowner dies, this strategy allows for assumption by eligible heirs.
 - b) Upon sale or transfer of title
 - c) Property is vacated and is no longer the primary residence of the borrowers
 - d) Property is converted into rental unit
 - e) Any refinancing with cash out or debt consolidation



- f) Loss of homeowners insurance
- g) Loss of homestead exemption status
- h) Failure to pay property taxes

In the event of non-payment or other default above, the City will follow its "Economic Development Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy." Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of 3% per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall constitute a waiver of the right as to any continuing failure or breach of any subsequent failure or breach.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. (1) of this plan. To qualify for assistance, an eligible buyer must meet the following requirements:
 - 1. The applicant is not required to be a First-Time Homebuyer to qualify for assistance, but they cannot own a property serving as the principal residence at the time of closing.
 - 2. In addition, households that have been assisted with any City's funds in the past are ineligible to receive funding again through any of the Housing Division's Programs, unless the prior assistance has been paid in full and a Satisfaction of Mortgage executed and recorded in Public Records, or unless there is some form of "hardship" as defined. Examples of hardship include divorce, permanent layoff, physical or mental disability, fire, flood, or natural disaster or the death of a family member. Hardship determination will be determined and approved on a case-by-case basis by the Director of the Department.
 - 3. The Borrower must have sufficient cash reserve, after closing, of at least 2 times the total monthly housing expenses, including PITI and any association fees.
- g. **Sponsor Selection Criteria:** All program sponsors will be selected using a competitive application process. Eligible sponsors that provide assistance under this program will be required to contractually commit and comply with all SHIP program requirements.
- h. **Additional Information:**
To qualify for Purchase Assistance:
 - 1. Applicants must be able to obtain a first mortgage from a licensed lending institution.
 - 2. The first mortgage cannot exceed a term of thirty (30) years, the Lender fees are limited to 4% of the loan amount.
 - 3. Maximum DTI ratio should not exceed 50%



4. Households with liquid assets greater than \$50,000 do not qualify.
5. Applicants will contribute a minimum of a \$1,000 toward the transaction. Examples of such contributions include, but are not limited to, required pre-paid items that the buyer pays, such as earnest money deposit, appraisal, home inspection, and homeowner's insurance.
6. All buyers must have completed at least eight (8) hours of homebuyers' education through a HUD-approved housing counseling agency.
7. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
8. Mobile homes are not eligible for assistance.
9. All properties being purchased must meet the HUD HQS. An inspection is required to verify that the property meets applicable safety/code requirements. If repairs are required to bring the property to HUD HQS standards and the cost for the repairs exceeds \$1,000, the property will be coded as "purchase assistance with rehabilitation." "If the seller can provide documentation to show that the property had repairs over \$1,000 completed within the past twelve (12) months, the property will be coded as "purchase assistance with rehabilitation."
10. There may be instances where the cost to develop the project is higher than the sales price. When the developer sells the property to an income eligible buyer and the loan proceeds are remitted to the City, the difference between the sales price and the development costs will be forgiven and recognized as a grant to the homebuyer.

B. PURCHASE ASSISTANCE FOR EXISTING HOME WITHOUT REHABILITATION	Code 2
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- a. **Summary:** The City of Clearwater through its housing programs and sub-recipients will use SHIP funds to provide down payment and closing costs assistance to purchase existing homes. Property purchased must become the primary residence of the buyer. To qualify for assistance, applicants must be able to obtain a first mortgage from a licensed lending institution. The first mortgage cannot exceed a term of 30 years with a fixed rate. The City may use SHIP funds as a match for the HOME program.
- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027
- c. **Income Categories to be served:** Very low, low and moderate
- d. **Maximum award:** \$77,000 (\$75,000 downpayment and closing cost assistance + plus \$2,000 project delivery costs)
- e. **Terms:**
 1. **Repayment loan/deferred loan/grant:** Funds will be awarded as an amortized and forgivable loan secured by a recorded subordinate mortgage and note.
 2. **Interest Rate:** 0%
 3. **Years in loan term:** 25
 4. **Forgiveness:** 50% of the loan is deferred for the loan term and forgiven at maturity if no event of default exists. For Very Low-income clients, 100% of the loan will be forgiven at the end of the loan term.



5. **Repayment:** Funds will be awarded as an amortized loan and a forgivable loan secured by a recorded subordinate mortgage and note. Fifty percent (50%) of the loan will be forgiven at the end of the loan term. For repayment, the loan will be deferred for the first five years (deferred period) with monthly payments commencing at the end of deferred period. For Very-Low Income clients, there is no repayment if no event of default exists.
6. **Default:** The loan will become due and payable if one of the following occurs:
 - a) Death of the borrower(s). In the event borrower should die, this strategy allows for assumption by eligible heirs.
 - b) Upon sale or transfer of title
 - c) Property is vacated and no longer the primary residence of the borrower.
 - d) Property is converted into a rental unit
 - e) Any refinancing with cash out of debt consolidation
 - f) Loss of homeowners insurance
 - g) Loss of homestead exemption status
 - h) Failure to pay property taxes

In the event of non-payment or other default above, the City will follow its "Economic Development Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy" Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of 3% per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall constitute a waiver of the right as to any continuing failure or breach of any subsequent failure or breach.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel and income groups as described in section I. (I) of this plan.
- g. **Sponsor Selection Criteria:** All program sponsors or sub-recipients will be selected using the City's Consolidated Annual Action Plan. Eligible sponsors or sub-recipients that provide assistance under this strategy will be required to contractually commit and comply with all SHIP program requirements.
- h. **Additional Information.**

To qualify for assistance:

 1. Borrowers must be able to obtain a first mortgage from a licensed lending institution.
 2. The first mortgage cannot exceed a term of thirty (30) years, the lender fees are limited to 4% of the loan amount.
 3. Maximum DTI ratio should not exceed 50%



4. Borrowers will contribute a minimum of \$1,000 toward the transaction. Examples of such contribution include, but are not limited to, required pre-paid items that the buyer pays, such as earnest deposit, appraisal, home inspection, and homeowner's insurance.
5. The Borrower must have sufficient cash reserve after closing, of at least 2 times the monthly housing expenses, including PITI and any association fees.
6. Households with liquid assets greater than \$50,000 do not qualify.
7. All Borrowers must have completed at least eight (8) hours of home buyer education through a HUD-approved housing counseling agency.
8. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
9. All properties being purchased must meet the HUD HQS standards. An inspection is required to verify that the property meets applicable safety/code requirements.

C. OWNER-OCCUPIED REHABILITATION

Code 3, 6

- a. **Summary:** The City of Clearwater will award SHIP funds to income eligible households for the rehabilitation of owner-occupied residences whose Just Value, as determined by the Pinellas County Property Appraiser, does not exceed \$481,176. Assistance may be used by the homeowner for housing rehabilitation such as, but not be limited to, the following:

1. Correct housing code deficiencies
2. Adapt the residence to meet accessibility needs of a disabled family member
3. Modifying the living space to accommodate additional household members may be approved by the city if the city determines a hardship exists.

In cases where health, safety and welfare of the household are in jeopardy, they shall receive priority and staff shall evaluate the situation to determine if the work may be done as emergency repairs. Such things that are considered "emergency repairs" are:

1. Structural components that show signs of imminent collapse
2. Inoperable heating systems during the winter months
3. Water leaks in walls or foundation
4. Roof leaks with a likelihood of causing electrical hazards, ceiling collapse or structural damage
5. Inoperable exterior doors and/or windows, preventing emergency egress
6. Falling Ceiling
7. Lead-based paint
8. ADA modifications of an immediate nature

The City of Clearwater will award SHIP funds in a form of a grant to eligible households to remove barriers and improve accessibility. Qualified persons are defined as persons with special needs in accordance with the definitions of "Persons with special needs" set forth in Sections 420.0004(13) and (393.063(9) Florida Statutes, needed home modifications, including technological enhancements and devices, which all the applicants/household members to remain independent in their homes.

Accessibility improvements may include such things as:

1. Widening of doorways
2. Lowering of cabinets

- | |
|---|
| <ol style="list-style-type: none">3. Installation of grab-bars, roll-in shower/tub, comfort-height toilets and flooring4. Visual guiding systems for the hearing impaired5. Roll-in shower/tub6. Wheelchair ramp |
|---|

b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027

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

d. **Maximum award:** \$80,000

\$60,000 loan + project delivery costs not to exceed \$5,000. An additional \$15,000 grant may be provided to remove accessibility barriers and improve accessibility for people with special needs. The \$15,000 grant for special needs may be a stand-alone project.

e. **Terms:**

1. **Repayment loan/deferred loan/grant:** SHIP Funds will be awarded as deferred or repayment loans secured by a Note and Mortgage.

Repayment Loans:

To qualify for a twenty-year, zero percent interest loan, eligible borrower must meet the following criteria: All eligible borrowers with household income above moderate, will repay the rehabilitation assistance at zero percent interest with the following stipulations:

The payments are deferred for 120 days from the Note date, with monthly payments commencing at the end of the deferred period and amortized over 20 years. Payments are made on 50% of the total loan balance, with the remaining 50% being forgiven at maturity, provided no event of default exists.

Deferred Loans:

Borrowers with total household incomes up to 80% Area Median Income (Extremely Low, Very Low, Low) will be awarded a 20-year deferred payment loan up to an amount of \$60,000. The deferred payment loan is satisfied at the end of the loan term, if no event of default occurs.

All Loans will be secured by a Mortgage and Note and recorded in public records.

2. **Interest Rate:** 0%
3. **Years in loan term:** 20 years
4. **Forgiveness:** Deferred loans will be forgiven at the end of the 20-year period.
5. **Repayment:** Moderate income borrowers will be awarded a 20-year payment loan. With repayment loans, the remaining balance of 50% of the original loan will be forgiven at the end of the loan term if no default exists.
6. **Default:** The loan will be determined to be in default in any of the following occurs during the loan term:
 - a) Death of a borrower(s). In the event the homeowner should die, this strategy allows for assumption by eligible heirs.



- b) Upon sale or transfer of title
- c) Property is vacated and no longer the primary residence of the borrower
- d) Property is converted into a rental unit
- e) Any refinancing with cash out or debt consolidation
- f) Loss of homeowners insurance
- g) Loss of homestead exemption status
- h) Failure to pay property taxes
- i) Failure to occupy the home as a primary residence

In the event of non-payment or other default above, the City will follow its "Economic Development Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy" Also, the language below is included in the mortgage note: The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of 3% per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall constitute a waiver of the right as to any continuing failure or breach of any subsequent failure or breach.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on a first-qualified first-served basis with priorities for Special Needs, Essential Services Personnel and income groups described in Section 1. (1) of this plan.

In addition, households that have been assisted through the rehabilitation with city funds within the past are ineligible to receive funding again through any of the Housing Division's Programs, unless prior assistance has been paid in full and a Satisfaction of Mortgage executed and recorded in Public Records, unless there is some form of "hardship" as defined. Example of hardship include, but may not be limited to divorce, permanent layoff, physical or mental disability, fire, flood or natural disaster or the death of a family member. Hardship determination will be determined and approved on a case-by case basis by the Director of the Economic Development & Housing Department.

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

- h. **Additional Information:**

1. Applicants must be the owner-occupant of the property.
2. The applicant must be current on their current mortgages, property taxes and homeowners' insurance, flood insurance is required if the property is located in a flood zone.
3. Applicant must have sufficient equity in the property for the rehabilitation loan. Maximum loan to value must not exceed 100% of the Just Value of the home as determined by the Pinellas County Property.



4. The value of the home as determined in Section H.3 above, shall not exceed just value.

D. NEW CONSTRUCTION	Code 10
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- a. **Summary:** The City of Clearwater, through eligible developers (for profit and not-profit) will use SHIP funds for the development of new single-family housing units. The costs may include acquisition, site improvement and building costs to include innovative design and green principles. The City's specifications for new homes are tailored to meet green standards.
- The City may use SHIP funds as a match for the HOME program to loan funds to eligible developers (for profits and non-profits) for the construction of new single-family housing units, and in some cases, acquisition of vacant properties and infrastructure costs for new housing development. Assistance will be repaid when the unit is sold to an eligible homebuyer. A Land Use Restriction Agreement is required for all newly constructed units.
- For the Homebuyer:** The City of Clearwater through its housing programs and through its sub-recipients will use SHIP funds to provide down payment and closing cost assistance to eligible very low-to moderate-income homebuyers for the newly constructed homes. The City may use SHIP funding as a match to eligible buyers. A Land Use Restriction Agreement is required for all newly constructed units.
- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027
- c. **Income Categories to be served:** Very low, low and moderate
- d. **Maximum award:** \$300,000 per single-family home for developers (for profit and not profit). Maximum award to homebuyer is \$77,000 in the form of a \$75,000 Purchase Assistance Loan + project delivery costs not to exceed \$2,000. An additional \$15,000 grant may be provided to incorporate accessibility for people with special needs.
- e. **Terms:**
For the Developer:
 - Repayment loan/deferred loan/grant:** deferred payment mortgage and note not to exceed 24 months
 - Interest Rate:** 0%
 - Years in loan term:** 2
 - Forgiveness:** Upon the sale of the home to a qualified household, and no default exists, the city will write down the loan to the developer to provide a developer fee up to 15% of construction costs funded by the loan. In the event that, through no fault of the developer, the sales price of the home results in a return on investment of less than 12% of total development costs, the City reserves the right to allow for a write-down (forgiveness) equal to an amount that will provide for an ROI of 12% of total development costs for the developer. The developer fee shall be considered part of the developer's ROI. When the developer sells the property to an income-eligible homebuyer, the loan to the developer is satisfied. All proceeds from the sale of the property less



the developer fee (and additional funds, if applicable, to ensure a 12% ROI) will be returned to the City in the form of Program Income. The difference between the assistance provided to the developer and program income will be recognized as grant to the homebuyer.

5. **Repayment:** The loan is repaid when the home is sold.
6. **Default:** The loan becomes due and payable, if, at the end of the loan term, the home is not sold, or the home does not have a contract for sale.

For the Homebuyer:

1. **Repayment loan/deferred loan/grant:** Funds will be awarded as an amortized loan and forgivable loan secured by a recorded subordinate mortgage and note. 50% of the loan will be forgiven at the end of the loan term. The loan will be deferred for five (5) years with monthly payments commencing at the end of the deferred period. For Very Low-income clients, payments are deferred for the term of the loan.
2. **Interest Rate:** 0%
3. **Years in loan term:** 25 years
4. **Forgiveness:** 50% of the loan is deferred for the loan term and forgiven at maturity if no event of default exists. For Very Low-income clients, 100% of the loan will be forgiven at the end of the loan term.
5. **Repayment:** Payments on the amortized amount will commence after the 5-year deferral period and be amortized over twenty (20) years. For Very Low-income clients there is no repayment unless event of default exists.
6. **Default:** The loan will be determined to be in default in any of the following occurs during the loan term:
 - a) Death of the borrower(s). In the event the homeowner should die, this strategy allows for assumption by eligible heirs.
 - b) Upon sale or transfer of title
 - c) Property is vacated and is no longer the primary residence of the borrower
 - d) Property is converted into a rental unit
 - e) Any refinancing with cash out or debt consolidation
 - f) Loss of homeowners insurance
 - g) Loss of homestead exemption status
 - h) Failure to pay property taxes

In the event of non-payment or other default defined above, the city will follow its "Economic Development & Housing Department Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy". Also, the language below is included in the mortgage note: *The Note Holder shall have the optional right to declare the amount of the total balance due and forthwith payable in advance of the Maturity Date upon the occurrence of any Event of Default or failure to perform in accordance with any of the terms and conditions set forth in the Subordinate Mortgage. Upon exercise of this option by the Note Holder, the entire principal shall bear interest at the rate of three (3) percent per annum. Forbearance to exercise this option with respect to any failure or breach of the Borrower shall not constitute a waiver of the right as to any continuing failure or breach or any subsequent failure or breach.*



If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applicants will be ranked for assistance based on a first-qualified, first served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. (I) of this plan. To qualify for assistance, an eligible buyer must meet the following requirements:
1. The applicant is not required to be a First-Time Homebuyer to qualify for assistance, but they cannot own a property serving as their principal residence at the time of closing.
 2. In addition, households that have been assisted with any City's funds in the past are ineligible to Receive funding again through any of the Housing Division's Programs, unless the prior assistance has been paid in full and a Satisfaction of Mortgage executed and recorded in Public Records, unless there is some form of "hardship" as defined. Examples of hardship include divorce, permanent layoff, physical or mental disability, fire, flood, or natural disaster or the death of a family member. Hardship determination will be determined and approved on a case-by-case basis by the Director of the Department.
- g. **Sponsor Selection Criteria:** All developers will be selected using the City's Consolidated Annual Action Plan Application process. Eligible developers (for-profit or non-profit organizations) that receive assistance under this strategy will be required to contractually commit and comply with all SHIP program requirements.
- h. **Additional Information:**
To qualify for Purchase Assistance:
1. Applicants must be able to obtain a first mortgage from a licensed lending institution.
 2. The first mortgage cannot exceed a term of thirty (30) years, the lender fees are limited to 4% of the loan amount.
 3. Maximum DTI ratio should not exceed 50%
 4. Applicants will contribute \$1,000 toward the transaction. Examples of such contributions include, but not limited to, required pre-paid items that the buyer pays, such as earnest money deposit, appraisal, home inspection, and homeowner's insurance.
 5. Borrowers must have sufficient cash reserve after closing of at least 2 times the total monthly housing expenses, including PITI and associated fees.
 6. All buyers must have completed at least eight (8) hours of homebuyer education through a HUD-Approved housing counseling agency.
 7. Other state, federal, county, private and homeowner contributions may be leveraged with SHIP funds.
 8. Mobile homes are not eligible for assistance.
 9. There may be instances where the cost to develop the project is higher than the sales price. When the developer sells the property to an income eligible buyer and the loan proceeds are remitted to the city, the difference between the sales price and development costs will be forgiven and recognized as a grant to the homebuyer.
 10. The City may use SHIP funds as a match for the HOME program.

E. MULTIFAMILY HOUSING	Code 14, 21
a. Summary: SHIP funds may be provided as loans to developers (for profit and non-profit) to support the acquisition, rehabilitation and /or new construction of multi-family housing, including single family room occupancy, or the housing portion of a mixed used facility and/or mixed-income projects. Funds may be used as a match for the U.S. Department of Housing Development's HOME program and various other programs offered by the federal government and the State of Florida to construct and preserve multi-family housing.	
b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027	
c. Income Categories to be served: Very low and Low	
d. Maximum award: \$300,000 per unit new construction and acquisition, \$100,000 per unit for rehabilitation. No project shall exceed \$600,000 in total SHIP funds.	
e. Terms: 1. Repayment loan/deferred loan/grant: In accordance with the City's funding for multi-family acquisition, rehabilitation or new construction developments will vary from project to project. 2. Interest Rate: 0% 3. Years in loan term: A minimum of 20 years with a maximum of 30 years. The loan term will be determined based on a financial analysis of the project and the project's ability to pay back the loan. 4. Forgiveness: N/A 5. Repayment: Loan is due and payable at the end of the loan term 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: a) Sale, transfer, or conveyance of property b) Conversion to another use c) Failure to maintain standards for compliance as required by any of the funding sources d) If any of these occur, the outstanding balance will be due and payable.	
f. Recipient/Tenant Selection Criteria: All applicants for residence in a SHIP-assisted unit must meet income eligibility of the program as determined and reported by the developer's management company of the development.	
g. Sponsor/Sub-recipient Selection Criteria: Eligible developers (for profit or non-profit) will be selected using the City's Consolidated Annual Action Plan Application process. Eligible individuals, developers, or non-profit organizations that provide assistance under this strategy will be required to contractually commit and comply with all SHIP program requirements. Criteria includes: 1. A non-profit must have received a tax-exempt ruling from the IRS under section 501(c) (3). The non-profit corporation must be organized and established under the laws of the State of Florida. 2. A non-profit or for-profit corporation must have financial accountability standards that permit the Economic Development & Housing Department to verify organizational and financial capacity to carry out the project.	



3. A non-profit or for-profit organization must have experience in development appropriate to this Strategy.

h. **Additional Information:**

1. Projects funded by loans for eligible rental housing acquired, constructed, and or rehabilitated or otherwise assisted under this strategy must be reserved for eligible persons for at least the term of the affordability period.
2. Developers (for profit or non-profit) will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for the monitoring of SHIP rental units.
3. Depending on the financial projection of the project, the City may pay the developer up to a 12% developer fee.

F. DISASTER ASSISTANCE

Code 5, 16

- a. **Summary:** The Disaster Strategy provides assistance to eligible households following a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will be implemented in the event of a disaster using any funds that have not yet encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation. Disaster funds may be used for items such as, but not limited to:
1. Purchase of emergency supplies to weatherproof damaged homes; Interim repairs to avoid further damage, tree debris removal required to make the individual housing habitable.
 2. Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies
 3. Security deposits for recipients that have been displaced from their home due to disaster.
 4. Rental and utility assistance
 5. Mortgage and utility payment
 6. Strategies included in the approved LHAP that benefit applicants directly affected under the Executive Orders
 7. Other eligible activities as proposed and approved by Florida Housing Finance Corporation.

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027

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

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

e. **Terms:**

1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant with no recapture terms.
2. Interest Rate: N/A
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A



- f. **Recipient/Tenant Selection Criteria:** Applicants will be assisted on a first-qualified, first served basis. Priority shall be given to persons who have special housing needs or individuals or households that qualify as Elderly.
- g. **Sponsor Selection Criteria:** A sponsor may be selected during a disaster declaration in or to provide assistance to households in the community. Sponsors selection will be based on an agency's experience and capacity to carry out project delivery. A project delivery fee will be determined based on the scope of the project.
- h. **Additional Information:**
 - 1. Annual funding is not allocated toward this Strategy. In the event of a disaster declaration, unencumbered funds and/or additional funds award through Florida Housing Finance Corporation for disaster will be used to fund this strategy.
 - 2. If the homeowner is insured, proceeds from the insurance must be used first before SHIP funds, except for the payment of the deductible.

G. DEMOLITION/RELOCATION/CONSTRUCTION	Code 4
a. Summary: Single-family residential owner-occupied units, which are unsafe for habitation as determined by the City's Building Official, and the cost to repair the unsafe condition exceeds the maximum under the Owner-Occupied Rehabilitation strategy, may be demolished and a new structure will be constructed on the same site.	

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027
- c. **Income Categories to be served:** Extremely Low, Very Low and Low
- d. **Maximum award:** \$200,000 for Demolition/Relocation/Construction. If homeowner cannot qualify for a first mortgage, the City may use SHIP funds as a match for the HOME program funding.
- e. **Terms:**
 - 1. Repayment loan/deferred loan: funds will be awarded as amortized and forgivable loans secured by a recorded mortgage and promissory note.
 - 2. Interest Rate: 0%
 - 3. Years in loan term: 25
 - 4. Forgiveness: For low-to moderate-income clients, 50% of the loan is deferred for the loan term and forgiven at maturity, if no event of default exists. For Very Low-income clients, 100 % of the loan will be forgiven at the end of the loan term.
 - 5. Repayment: Funds will be awarded as an amortized loan and a forgivable loan secured by a recorded mortgage and note. The loan will be deferred for the first five years (deferral period) with monthly payments commencing at the end of the deferred period. Following the five-year deferral period, fifty percent (50%) of the loan will be amortized at zero percent (0%) interest over the remaining 20 years of the loan term and the lance balance will be forgiven at the end of the loan term. For Very-Low Income clients, there is no repayment if no event of default exists.
 - 6. Default: The loan will be determined to be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property, loss of homeowners insurance; loss of



homestead exemption status; failure to pay property taxes or failure to occupy the home as a primary residence.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the mortgage becomes due and payable.

If the home is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing recapture.

- f. **Recipient/Tenant Selection Criteria:** Applications for assistance under this program will be reviewed and approved on a first qualified, first-served basis, with priority given to special needs, essential service personnel, and households earning up to 80% AMI.
 - 1. Must have resided in the dwelling for at least fifteen (15) years prior to the date of application, with exception in the case of fire, severe water damage, sink holes, or structural damage not covered under property insurance or other Federal or State programs.
 - 2. Must not have received assistance from the City through CDBG, HOME, and/or SHIP funded programs within the past five (5) years. Exceptions would be granted in the event of fire, severe water damage, sink holes, or structural damage not covered under property insurance or other Federal or State programs.
 - 3. Must be current on existing mortgage payments. Any occurrences of 90-day late payment within the previous 12 months as reported on a credit report will be evaluated on a case-by-case basis and may serve as the basis for denial from the City.
 - 4. Primary mortgage holder must provide written approval for the demolition/construction activity, if applicable.
- g. **Sponsor Selection Criteria:** Not applicable
- h. **Additional Information:** At a minimum, the constructed dwelling unit must have a living room, kitchen area and bathroom. Also, it must have bedrooms to accommodate all household members according to housing quality standards. Demolition/Construction of housing will not be made to owners of manufactured or mobile homes. Temporary relocation expenses, including reasonable storage of personal belongings, may be provided at an amount not to exceed \$25,000 per unit, if there are no other housing options such as living with family members.

H. RENTAL ASSISTANCE	Code 13, 23
a. Summary: Funds will be awarded to income eligible rental households to prevent eviction and becoming homeless. Eligible expenses include utility deposits, security deposits and assistance for utility and rent arrears.	

- b. **Fiscal Years Covered:** 2024-2025, 2025-2026, 2026-2027



- c. **Income Categories to be served:** Very Low
- d. **Maximum award:** \$10,000
- e. **Terms:**
 - 1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant.
 - 2. Interest Rate: N/A
 - 3. Years in loan term: N/A
 - 4. Forgiveness: N/A
 - 5. Repayment: N/A
 - 6. Default: N/A
- f. **Recipient Selection Criteria:** Applicants will be referred through the Coordinated Entry System established for the area. Assistance will be provided on a first qualified, first served basis.
- g. **Sponsor/Developer Selection Criteria:** N/A
- h. **Additional Information:** Applicants can receive up to \$10,000, including deposits and six (6) months of assistance, including rent arrears. The household is required to have a lease and the unit must meet Housing Quality Standards.

III. LHAP Incentive Strategies

In addition to the **required Incentive Strategy A and Strategy B**, included are adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S..

A. Expedited Permitting

Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

The Assistant Director of the Economic Development & Housing Department determines whether a project qualifies as affordable housing and, if eligible, provides the developer with the "Request for Expedited Permit Processing for Affordable Housing Activity" form and applicable checklists.

The Economic Development & Housing Department and Planning & Development Department support customer service for potential affordable housing projects by providing information and responding to developer inquiries by the end of business day (EOB) or within 24 hours. The Planning & Development Department utilizes technology to enhance administrative efficiencies. All permitting is facilitated by a one-stop "ePermit Hub" portal that supports electronic plan submittal, review, and inspections, or through Accela. Information, forms, and checklists are available online and at the counter for all types of projects (not necessarily affordable housing). Target dates and permit status are posted via the ePermit Hub portal and review time has been generally reduced to 14 days.

B. Ongoing Review Process

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

The Economic Development and Housing Department typically receives new City Comprehensive Plan and



Community Development & Housing Code provisions and ordinances for comment and participates in the City's review process prior to adoption. The review process is maintained as a regular agenda item during Senior Executive Team bi-monthly meetings.

C. **Other Adopted Incentive Strategies:**

1. **Modification of Fees:** The Economic Development and Housing Department will continue to assist with the payment of Plan Review and Permit Fees and impact fees utilizing state and federal funds designated for affordable housing.
2. **Flexible Densities:** The City supports flexibility in densities for affordable housing through its Comprehensive Plan policies, through its Community Development Code and in accordance with the Live Local Act.
3. **Accessory Dwelling Units:** The City will continue to allow for accessory dwelling units in non-residential Zoning districts as described within the City's Community Development Code.
4. **Parking Reduction:** The Housing Element of the City's Comprehensive Plan supports the reduction of Parking and setback requirements for affordable housing developments.
5. **Flexible Lot Configuration:** The City currently allows flexible set back requirements for affordable Housing developments. The plan must be sensitive to the character and context of the existing Neighborhood.
6. **Proximity to Transportation, Employment & Mixed-Use Development:** The city will maintain and implement policies of the city's Comprehensive Plan that incentivize affordable housing development proximate to transportation hubs, major employment centers, and mixed-use development.
7. **Financing:** The city will diversify financial strategies to contribute to the new construction and maintenance of affordable housing and financial assistance to obtain housing.

IV. **EXHIBITS**

Required

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.

(Local Government name)

Fiscal Year: 2024-2025	
Estimated SHIP Funds for Fiscal Year:	\$ 1,365,854.00
Salaries and Benefits	\$ 126,585.00
Office Supplies and Equipment	\$
Travel Per diem Workshops, etc.	\$
Advertising	\$
Other*	\$ 10,000.00
Total	\$ 136,585.00
Admin %	10.00%
	OK
Fiscal Year 2025-2026	
Estimated SHIP Funds for Fiscal Year:	\$ 1,365,854.00
Salaries and Benefits	\$ 126,585.00
Office Supplies and Equipment	\$
Travel Per diem Workshops, etc.	\$
Advertising	\$
Other*	\$ 10,000.00
Total	\$ 136,585.00
Admin %	10.00%
	OK
Fiscal Year 2026-2027	
Estimated SHIP Funds for Fiscal Year:	\$ 1,365,854.00
Salaries and Benefits	\$ 126,585.00
Office Supplies and Equipment	\$
Travel Per diem Workshops, etc.	\$
Advertising	\$
Other*	\$ 10,000.00
Total	\$ 136,585.00
Admin %	10.00%
	OK
*All "other" items need to be detailed here and are subject to review and approval by the SHIP review committee. Project Delivery Costs that are outside of administrative costs are not to be included here, but must be detailed in the LHAP main document. Details: Sub-recipient loan processing fee, consulting fees and incurred project delivery costs of loans that don't proceed to closing.	

2024

Exhibit B
Timeline for SHIP Expenditures

City of Clearwater affirms that funds allocated for these fiscal years will
(local government)
meet the following deadlines:

Fiscal Year	Encumbered	Expended	Interim Report	Closeout Report
2024-2025	6/30/2026	6/30/2027	9/15/2026	9/15/2027
2025-2026	6/30/2027	6/30/2028	9/15/2027	9/15/2028
2026-2027	6/30/2028	6/30/2029	9/15/2028	9/15/2029

If funds allocated for these fiscal years is not anticipated to meet expenditure deadlines, Florida Housing Finance Corporation will be notified according to the following chart:

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2024-2025	3/30/2027	6/15/2027
2025-2026	3/30/2028	6/15/2028
2026-2027	3/30/2029	6/15/2029

Requests for Expenditure Extensions (close-out year ONLY) must be received by FHFC by June 15 of the year in which funds are required to be expended. The extension request shall be emailed to robert.dearduff@floridahousing.org and cameka.gardner@floridahousing.org and include:

1. A statement that "(city/county) requests an extension to the expenditure deadline for fiscal year _____.
2. The amount of funds that is not expended.
3. The amount of funds that is not encumbered or has been recaptured.
4. A detailed plan of how/when the money will be expended.

Note: an extension to the expenditure deadline (June 30) does not relieve the requirement to submit (September 15) the annual report online detailing all funds that have been expended. Please email cameka.gardner@floridahousing.org when you are ready to "submit" the AR.

Other Key Deadlines:

AHAC reports are now due annually by December 31. Local governments receiving the minimum (or less) allocation may choose not to report.

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2024-2025												
Name of Local Government:			CITY OF CLEARWAER									
Estimated Funds (Anticipated allocation only):			\$ 1,365,854									
Code	Strategies Homeownership	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
1	Purchase Assistance with Rehab	Yes	0	\$77,000	1	\$77,000	0	\$77,000	\$77,000.00	\$0.00	\$77,000.00	1
9	Purchase Assistance without Rehab	No	0	\$77,000	1	\$77,000	0	\$77,000	\$77,000.00	\$77,000.00	\$154,000.00	1
3	Owner Occupied Rehabilitation	Yes	1	\$80,000	1	\$80,000	0	\$80,000	\$80,000.00	\$0.00	\$80,000.00	2
4	Demolition/Reconstruction	Yes	0	\$200,000	1	\$200,000	0	\$200,000	\$200,000.00	\$0.00	\$200,000.00	1
5	Disaster Assistance	No							\$0.00	\$0.00	\$0.00	
9	Acquisition/Rehabilitation	Yes	1	\$300,000	0	\$300,000	0	\$300,000	\$300,000.00	\$0.00	\$300,000.00	1
10	New Construction	Yes	1	\$300,000	0	\$300,000	0	\$300,000	\$300,000.00	\$0.00	\$300,000.00	1
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		3	\$1,034,000.00	4	\$1,034,000.00	0		\$1,034,000.00	\$77,000.00	\$1,111,000.00	7
	Purchase Price Limits:		New	\$ 481,176	Existing	\$ 481,176						
			OK		OK							
Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
14,21	Multi-Family - Rehabilitation/New Construction	Yes	1	\$68,269	0	\$300,000	0	300000	\$68,269.00	\$0.00	\$68,269.00	1
13	Rental Assistance (Tenant)	No							\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		1	\$97,635.00	0	\$97,634.00	0		\$68,269.00	\$0.00	\$68,269.00	1
	Administration Fees		\$	136,585	10%		OK					
	Home Ownership Counseling		\$	50,000								
	Total All Funds		\$	1,365,854	OK							
Set-Asides												
Percentage Construction/Rehab (75% requirement)			80.7%		OK							
Homeownership % (65% requirement)			81.3%		OK							
Rental Restriction (25%)			5.0%		OK							
Very-Low Income (30% requirement)			\$ 748,269 54.8%		OK							
Low Income (30% requirement)			\$ 434,000 31.8%		OK							
Moderate Income			\$ - 0.0%									

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2025-2026												
Name of Local Government:			CITY OF CLEARWATER									
Estimated Funds (Anticipated allocation only):			\$ 1,365,854									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
1	Purchase Assistance with Rehab	Yes	0	\$77,000	1	\$77,000	0	\$77,000	\$77,000.00	\$0.00	\$77,000.00	1
9	Purchase Assistance without Rehab	No	0	\$77,000	1	\$77,000	0	\$77,000	\$77,000.00	\$77,000.00	\$154,000.00	1
3	Owner Occupied Rehabilitation	Yes	1	\$80,000	1	\$80,000	0	\$80,000	\$80,000.00	\$0.00	\$80,000.00	2
4	Demolition/Reconstruction	Yes	0	\$200,000	1	\$200,000	0	\$200,000	\$200,000.00	\$0.00	\$200,000.00	1
5	Disaster Assistance	No							\$0.00	\$0.00	\$0.00	0
9	Acquisition/Rehabilitation	Yes	1	\$300,000	0	\$300,000	0	\$300,000	\$300,000.00	\$0.00	\$300,000.00	1
10	New Construction	Yes	1	\$300,000	0	\$300,000	0	\$300,000	\$300,000.00	\$0.00	\$300,000.00	1
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		3	\$1,034,000.00	4	\$1,034,000.00	0		\$1,034,000.00	\$77,000.00	\$1,111,000.00	7
Purchase Price Limits:				New \$ 481,176	Existing \$ 481,176							
			OK	OK								
Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
14,21	Multi-Family - Rehabilitation/New Construction	Yes	1	\$68,269	0	\$300,000	0	300000	\$68,269.00	\$0.00	\$68,269.00	1
13	Rental Assistance (Tenant)	No							\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		1	\$97,635.00	0	\$97,634.00	0		\$68,269.00	\$0.00	\$68,269.00	1
	Administration Fees		\$ 136,585			10%		OK				
	Home Ownership Counseling		\$ 50,000									
Total All Funds			\$ 1,365,854 OK									
Set-Asides												
Percentage Construction/Rehab (75% requirement)			80.7%		OK							
Homeownership % (65% requirement)			81.3%		OK							
Rental Restriction (25%)			5.0%		OK							
Very-Low Income (30% requirement)			\$ 748,269	54.8%	OK							
Low Income (30% requirement)			\$ 434,000	31.8%	OK							
Moderate Income			\$ -	0.0%								

FLORIDA HOUSING FINANCE CORPORATION													
HOUSING DELIVERY GOALS CHART													
2026-2027													
Name of Local Government:		CITY OF CLEARWATER											
Estimated Funds (Anticipated allocation only):			\$ 1,365,854										
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units	
	Homeownership												
1	Purchase Assistance with Rehab	Yes	0	\$77,000	1	\$77,000	0	\$77,000	\$77,000.00	\$0.00	\$77,000.00	1	
9	Purchase Assistance without Rehab	No	0	\$77,000	1	\$77,000	0	\$77,000	\$77,000.00	\$77,000.00	\$154,000.00	1	
3	Owner Occupied Rehabilitation	Yes	1	\$80,000	1	\$80,000	0	\$80,000	\$80,000.00	\$0.00	\$80,000.00	2	
4	Demolition/Reconstruction	Yes	0	\$200,000	1	\$200,000	0	\$200,000	\$200,000.00	\$0.00	\$200,000.00	1	
5	Disaster Assistance	No							\$0.00	\$0.00	\$0.00	0	
9	Acquisition/Rehabilitation	Yes	1	\$300,000	0	\$300,000	0	\$300,000	\$300,000.00	\$0.00	\$300,000.00	1	
10	New Construction	Yes	1	\$300,000	0	\$300,000	0	\$300,000	\$300,000.00	\$0.00	\$300,000.00	1	
									\$0.00	\$0.00	\$0.00	0	
									\$0.00	\$0.00	\$0.00	0	
									\$0.00	\$0.00	\$0.00	0	
	Total Homeownership		3	\$1,034,000.00	4	\$1,034,000.00	0		\$1,034,000.00	\$77,000.00	\$1,111,000.00	7	
Purchase Price Limits:			New	\$ 481,176	Existing	\$ 481,176							

OK

OK

Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
14,21	Multi-Family - Rehabilitation/New Construction	Yes	1	\$68,269	0	\$300,000	0	300000	\$68,269.00	\$0.00	\$68,269.00	1
13	Rental Assistance (Tenant)	No							\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		1	\$97,635.00	0	\$97,634.00	0		\$68,269.00	\$0.00	\$68,269.00	1
	Administration Fees		\$ 136,585			10%		OK				
	Home Ownership Counseling		\$ 50,000									
Total All Funds			\$ 1,365,854 OK									

Set-Asides

Percentage Construction/Rehab (75% requirement)		80.7%	OK
Homeownership % (65% requirement)		81.3%	OK
Rental Restriction (25%)		5.0%	OK
Very-Low Income (30% requirement)	\$ 748,269	54.8%	OK
Low Income (30% requirement)	\$ 434,000	31.8%	OK
Moderate Income	\$ -	0.0%	

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity:

CITY OF CLEARWATER

Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will ensure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.
- (7) The LHAP conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the LHAP.
- (8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.
- (9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.
- (10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.

- (11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements (CAFR). An electronic copy of the CAFR or a hyperlink shall be provided to Florida Housing by June 30 of the applicable year.
- (12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.
- (13) SHIP funds will not be pledged for debt service on bonds.
- (14) Developers receiving assistance from both SHIP and the Low-Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). To the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility.
- (17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.
- (18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).

Tammy L. Cummings
Witness

Susan Chase
Witness

4/25/2024
Date

OR

Rosemarie Crall
Attest:

[Signature]
Chief Elected Official or Designee

Bruce Rector, Mayor
Type Name and Title



(Seal)

RESOLUTION NO. 24-08

A RESOLUTION OF THE CITY OF CLEARWATER, FLORIDA, APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS NEEDED BY THE STATE, AUTHORIZING THE SUBMISSION OF THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

WHEREAS, the State Housing Initiatives Partnership (SHIP) Act, ss.420.907-420.9079, Florida Statutes, as amended, and Rule Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used, and

WHEREAS, the SHIP Act further requires local governments to establish the maximum SHIP funds allowable for each strategy; and

WHEREAS, the SHIP act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act, therefore, the methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

WHEREAS, as required by section 420.9075, Florida Statutes, it is found that five percent (5%) of the local housing distribution plus five percent (5%) of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan. The cost of administering the program may not exceed ten percent (10%) of the local housing distribution plus five percent (5%) of program income deposited in the trust fund, except that small counties, as defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs; and

WHEREAS, the Economic Development and Housing Department has prepared a three-year Local Housing Assistance Plan incorporating the above-referenced provisions and requirements for submission to the Florida Housing Finance Corporation; and

WHEREAS, the City Council finds that it is in the best interest of the public for the City of Clearwater to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEARWATER, FLORIDA:

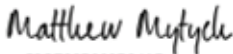
Section 1. The City Council of the City of Clearwater hereby approves the Local Housing Assistance Plan, as attached to and incorporated herein for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420.9079, Florida Statutes, for state fiscal years 2024-25, 2025-26 and 2026-27 which, among other things, establishes the maximum SHIP funds allowable for each local housing assistance strategy, establishes an average area purchase price for new and existing housing, and finds that five percent (5%) of the local housing distribution plus five percent (5%) of the program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.

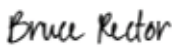
Section 2. The Mayor is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.

Section 3. This resolution shall take effect immediately upon adoption.

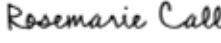
PASSED AND ADOPTED this 18th day of April, 2024.

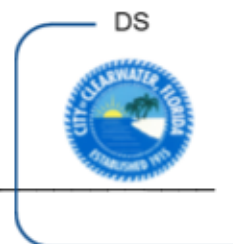
Approved as to form:

DocuSigned by:

58CE36D309B04AB
Matthew J. Mytych, Esq.
Senior Assistant City Attorney

DocuSigned by:

D58F063322074FD
Bruce Rector
Mayor

Attest:

DocuSigned by:

6209D5FEDFFE4CF
Rosemarie Call
City Clerk





/// 2020/2021-2024/2025 CONSOLIDATED PLAN /// 2020/2021 ANNUAL ACTION PLAN

CITY OF CLEARWATER, FLORIDA
 JULY 16, 2020



Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Clearwater, Florida, has completed the planning process for the 2020/2021-2024-2025 Consolidated Plan as required by the U.S. Department of Housing and Urban Development (HUD). The purpose of the Consolidated Plan is to identify goals, objectives, and strategies for addressing housing and community development needs, including those of the homeless and other special needs populations. This Consolidated Plan guides the use of City resources to address housing and community development needs over a five-year period.

The Consolidated Plan is developed in a manner specified by HUD, and the City has followed the prescribed format in completing the plan. The Consolidated Plan was developed using HUD and U.S. Census data for demographics and housing, input from public meetings and hearings, community surveys, and past program performance. During the planning process, the City conducted two community meetings with residents of low- and moderate-income neighborhoods. Additionally, the City conducted a subrecipient grant application workshop that specifically consulted housing and public service providers for these neighborhoods. The City also held two public hearings with the Neighborhood and Affordable Housing Advisory Board (NAHAB), and one public hearing with the City Council. The purpose of this process was to receive citizen input on the current housing and community development needs of the City. Concurrent with this plan, the City jointly conducted an Analysis of Impediments to Fair Housing Choice with Pinellas County; the citizen participation process for which was led and facilitated by Pinellas County.

There are four major areas of focus in the Consolidated Plan: Housing, Homelessness, Non-Housing Community Development and Non- Homeless Special Needs. The Consolidated Plan process requires the City of Clearwater to identify priority needs for each area and prepare an Annual Action Plan to address the priorities. For every priority, there are goals, objectives, and strategies established to measure progress. The citizen input was critical in developing the goals, objectives, and strategies of this Consolidated Plan.

This Consolidated Plan not only identifies goals to address the priority needs of the City, but also to address the statutory goals established by Federal law, which include:

Decent Housing:

- Assist homeless persons to obtain affordable housing
- Assist persons at risk of becoming homeless
- Retain affordable housing stock
- Increase the availability of affordable housing in standard condition to low- and moderate income families, particularly to economically disadvantaged persons (and without discrimination on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, disability, gender identity or sexual orientation)
- Increase the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence
- Provide affordable housing that is accessible to job opportunities.

A Suitable Living Environment:

- Improve the safety and livability of neighborhoods Increase access to quality public and private facilities and services.

Expanded Economic Opportunities:

- Job creation and retention for low-income persons
- Availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices
- Empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The City of Clearwater Consolidated Plan is structured around seven (7) goals in administering the City's housing and community development programs. Each goal is accompanied by corresponding objectives toward meeting that goal.

Goals and Objectives

These goals and objectives are as follows:

GOAL: PROGRAM ADMINISTRATION – ADMINISTER THE CITY OF CLEARWATER'S FEDERALLY FUNDED GRANT PROGRAMS TO IMPLEMENT THE GOALS OF THE FIVE-YEAR CONSOLIDATED PLAN.

GOAL: HOUSING – PROVIDE AVAILABILITY OF, AND ACCESSIBILITY TO, DECENT AFFORDABLE HOUSING FOR THE RESIDENTS OF THE CITY OF CLEARWATER.

Objective 1: Preserve the existing housing stock.

Objective 2: Increase the availability of affordable housing units.

Objective 3: Assist qualified low- and moderate-income households to become homeowners through supporting agencies that provide housing counseling.

Objective 4: Provide mortgage assistance for low- and moderate-income homebuyers.

Objective 5: Provide rental and utility assistance for low- and moderate-income persons.

GOAL: HOMELESSNESS – HELP TO PREVENT AND REDUCE HOMELESSNESS WITHIN THE CITY OF CLEARWATER.

Objective 1: Support programs that offer shelter facilities and beds for the homeless.

Objective 2: Assist agencies that engage in homeless prevention and service programs.

GOAL: NON-HOMELESS SPECIAL NEEDS – EXPAND THE ACCESSIBILITY AND COORDINATION OF SOCIAL SERVICES TO CITY OF CLEARWATER SPECIAL NEEDS POPULATIONS.

Objective 1: Support construction, expansion, and improvement of facilities that assist the elderly, frail elderly, disabled, veterans, and other populations with special needs.

Objective 2: Support programs to assist the elderly, frail elderly, disabled, veterans, and other populations with special needs.

GOAL: COMMUNITY DEVELOPMENT & PUBLIC SERVICES – ENHANCE THE LIVING ENVIRONMENT FOR PERSONS IN LOW- AND MODERATE-INCOME AREAS THROUGH COMMUNITY DEVELOPMENT ACTIVITIES, PUBLIC SERVICE PROGRAMS, AND ELIMINATION OF BLIGHT.

Objective 1: Support the construction, expansion, and improvement of public facilities in low- and moderate-income areas.

Objective 2: Encourage and support programs that promote neighborhood safety and security, youth accountability and mentoring, and community outreach to underserved populations in low- and moderate-income areas.

Objective 3: Support agencies that offer meal and/or food bank services for persons and families of low- and moderate-income.

Objective 4: Support the construction, expansion, and improvement of public parks, infrastructure, and utilities in low- and moderate-income areas.

Objective 5: Eliminate blighted conditions through code enforcement and demolition in low- and moderate-income areas.

GOAL: ECONOMIC DEVELOPMENT – SUPPORT PROGRAMS THAT CREATE ECONOMIC OPPORTUNITIES IN THE CITY OF CLEARWATER, PARTICULARLY FOR PERSONS OF LOW- AND MODERATE-INCOME AND IN NEIGHBORHOOD REVITALIZATION STRATEGY AREAS.

Objective 1: Support building façade programs in Neighborhood Revitalization Strategy Areas and low- and moderate-income areas.

Objective 2: Support non-profit organizations in developing facilities that support the local economy.

Objective 3: Support programs that create economic opportunity for low- to moderate-income persons, such as job training and entrepreneurship, small-business start-ups and incubators, and other economic development activities.

GOAL: EMERGENCY/DISASTER RESPONSE – PROVIDE ASSISTANCE PRIOR TO, DURING AND AFTER A COMMUNITY EMERGENCY AND/OR DISASTER EVENT TO PREPARE FOR AND/OR MITIGATE LOSS, PROTECT DURING AN EVENT, AND AID WITH RECOVERY.

Objective 1: Provide assistance for activities that meet a particular urgent need or to prepare for, respond to, and recover from an event triggering a local, state, or national emergency declaration.

3. Evaluation of past performance

The Economic Development and Housing Department oversees implementation of the CDBG and HOME programs. The previous Consolidated Plan covered a four-year period to align the City's planning cycle with that of Pinellas County. The past four years have shown significant progress in the City's efforts to implement HUD entitlement programs. The City is compliant with HUD regulations and continues to deliver housing and community development services in an efficient manner. Over the past four-year period, the City received an average annual allocation of approximately \$707,000 in Community Development Block Grant (CDBG) funds and \$333,000 in HOME Investment Partnerships (HOME). This amount totaled approximately \$2.8 million in CDBG funds and \$1.3 million in HOME funds over the past four years. With those funds, between 2,000 and 15,000 people were assisted annually.

With these funds, the Economic Development and Housing Department offered an array of housing programs and services providing the foundation needed to aid in promoting homeownership and/or sustainable neighborhoods:

- Homeowner rehabilitation, including emergency repairs and accessibility retrofitting for persons with disabilities
- Down payment and closing cost assistance for homebuyers

City of Clearwater
Economic Development & Housing Department
Affordable Housing Loan Foreclosure and Loan Foreclosure Alternative Policy
June 1, 2017

The City of Clearwater, through its affordable housing and community development programs, provides a variety of loans to very-low, low and moderate income households and to qualifying businesses. The funds for these loans come from local, state and federal affordable housing and community/economic development grant programs. From time to time, loans issued by the city fall into default status. This policy sets forth the guidelines of an analysis of whether city staff will seek permission from Clearwater City Council to take legal measures to initiate a foreclosure. Prior to initiating a foreclosure, staff will evaluate all reasonably available alternative options to foreclosure.

Loan Foreclosure Alternatives

Change of Ownership (typically following the death of a borrower)

Under the city's loan programs, the full balance of a loan is due when the borrower no longer resides in the mortgaged home. With written approval from the Director of the Economic Development & Housing Department, the loan may be assumed by a new owner and/or restructured at the city's discretion if the following requirements are met:

- The new owner obtains title to the home and conditions of title are satisfactory to the city.
- The new owner meets income-qualifying criteria as determined by the applicable loan program requirements.
- The new owner will occupy the home as his/her principal address.

If the new homeowner fails to meet all of the aforementioned conditions, but is willing to make payments on the loan, the city will convert the loan to a low-interest loan under the following conditions provided the loan was not funded with HOME program funds:

- The proposed loan conversion is allowable under the applicable loan program.
- City staff and the new homeowner agree to modified loan terms.
- The new interest rate shall not be more than three percent (3%).
- The loan balance will be due upon the sale of the home.

If staff and the new homeowner are unable to agree on loan payment terms and the new owner of the property is unable or unwilling to pay the balance of the loan in full, the city may seek a deed in lieu of foreclosure; otherwise, city staff will seek City Council approval to initiate foreclosure.

If the loan was funded with HOME program funds and the new homeowner does not income-qualify, the city shall recapture the loan balance per HOME program requirements. Failure to recapture funds will be cause for staff to seek City Council approval to initiate the foreclosure process. See attached flow chart titled "Change in Ownership – Loan Balance Due" showing the process staff will follow under a Change in Ownership situation.

Nonpayment/Noncompliance

If a monetary or non-monetary delinquency or default occurs, city staff will notify the borrower in writing of the delinquency. The notice will also inform the borrower of housing counseling programs that may be available to the borrower. Should borrower fail to respond, city staff will follow the following guidelines:

- Borrower will have thirty (30) days to bring the account current, supply the requested information and/or contact city staff.
- If borrower fails to respond within thirty (30) days of the date of the first notice, staff will send a second notice.
- If borrower fails to respond within thirty (30) days of the date of the second notice, staff will send a third notice.
- If borrower fails to respond to the third notice within thirty (30) days, the borrower's loan will be placed in default status and will accrue charges per the loan documents.
- If borrower responds during the notice period and represents a valid hardship preventing borrower from making payments, city staff will evaluate borrower's circumstances and may grant up to a six-month (6-month) deferral. If the deferral is granted, borrower's loan will be placed in a "Suspense/Deferred" status and will not accrue late fees during the deferral period.

Financial hardships may include but are not limited to the following:

- Loss of full-time job or substantial loss of income, through no fault of their own
- Death of spouse or partner that substantially reduces household income
- Call to duty – U.S. Armed Forces
- Loss of value where repayment of the city loan will result in a negative equity situation
- Substantial decrease in household income
- Temporary or permanent disability that reduces income
- Recent divorce that reduces income

For those loans that have payments and that are in a Suspense/Deferred status, the City will reevaluate the financial situation of the borrower in six (6) months from the date that the loan was put into Suspense/Deferred status to determine if the borrower is in a position to resume payments. If the borrower is still unable to resume payments after six (6) months, the City will reevaluate the borrower once again at one (1) year from the date that the loan was put in Suspense/Deferred status. If after one (1) year, the borrower is still unable to resume payments, and if a hardship exists that is preventing the borrower from repaying the loan or resuming payments, the City, at its sole discretion, may grant a longer deferment (up to six months). City staff will monitor borrower's circumstances during the deferment period to confirm that a hardship continues to exist. The city may consider requiring lower payments or converting a payment-type loan into a deferred payment-type loan whereby payment is deferred until such time as the borrower's financial situation improves or no longer resides at the mortgaged property. Regardless of borrower's hardship, the full balance of the loan is due upon sale of the home or if borrower no longer resides at the home (refer to "Change of Ownership" section herein). See attached flow chart titled "Loan Default" showing the process staff will follow under a Nonpayment/Noncompliance situation.

Deed in Lieu of Foreclosure

If city staff and borrower are unable to agree to a workout plan, then city staff will determine whether a deed in lieu of foreclosure is a viable option. A staff analysis will determine the financial feasibility and the condition of the home. If staff determines that a deed in lieu of foreclosure is an acceptable alternative to foreclosure, and borrower is amenable, staff will seek approval from City Council to accept a deed whereby the city takes title to the property and borrower's loan is forgiven.

Foreclosure

Foreclosure may occur if the City and borrower (or heir(s)) are unable to come to an agreeable workout plan. Foreclosure is the legal means the City of Clearwater may use to recover the balance of a loan from a borrower who has stopped making payments on a loan, by forcing the sale of the asset used as

the collateral for the loan. When this happens, a person must move out of the mortgaged property. If a property is worth less than the total amount owed on the mortgage loan, the City may seek a Deficiency Judgment which may result in the borrower owing the lender an additional debt. Foreclosure will serve as the last resort the City will use when pursuing recovery of loans, delinquent payments and/or required documentation (see Loan Foreclosure Alternative section herein).

Housing Division staff will conduct a comprehensive analysis of funding source rules & regulations, financial and other repercussions of a potential foreclosure, and a borrower's willingness and ability to pay back the loan. For properties encumbered by a Land Use Restriction Agreement (LURA), staff will consult with the City Attorney's Office to determine potential consequences arising from the LURA if a foreclosure action is taken. Such consequences must be acceptable to staff and allowable under the funding program used to finance the subject loan. Following the staff analysis, the Director of the Economic Development and Housing Department will determine whether to submit a staff recommendation to City Council to initiate a foreclosure. Initiating the foreclosure process requires City Council approval at a duly noticed City Council meeting. If staff determines that alternatives to foreclosure are not adequate and pursuing foreclosure is in the city's best interest, staff will inform the borrower of the Council Meeting at which staff will seek City Council approval to initiate a foreclosure action.

In certain situations, a property may have been foreclosed on without the City of Clearwater, as a debtor, being notified of the foreclosure action. When the City is informed of a foreclosure that has occurred, the Housing Division will notify the City Attorney's Office and request that they obtain a copy of the Final Summary Judgment. The Legal Department will also confirm that the title to the property has been transferred and that it is no longer in the original borrower's name. If the property is in the original borrower's name then the City will pursue recovery. If the City has verified, via Final Summary Judgment and Certificate of Title, that the property has been transferred and is not in the borrower's name, the City will evaluate legal options on a case-by-case basis.

Loan Default

