

City of Melbourne



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2025-2026, 2026-2027, 2027-2028

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I. Program Details:

A. LG(s)

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

B. Purpose of the program:

- To meet the housing needs of the very low, low and moderate-income households;
- To expand production of and preserve 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: 2025-2026, 2026-2027, 2027-2028

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 a local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through Brevard County, Powered by Column a digital public notice platform in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability, additionally, it was available for public review at the Melbourne Public Library.

H. Advertising and Outreach: SHIP funding availability will be advertised with Brevard County, Powered by Column a digital public notice platform, and on the city's website 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: The City of Melbourne residents requiring housing repair assistance will be encouraged to complete an application for assistance. The City has an established waiting list; as funding is available, households from this list will be contacted to complete the application for SHIP assistance. The application must be 100% complete for eligibility to be determined. Additional information may be requested upon review to determine program eligibility. Applications will be placed in first qualified, first served order and separated based on strategy. Eligible homeowners will be assisted on a first served basis with the following priorities: First priority will be given to Special Needs households as defined by Chapter 67-3(1),



F.A.C. These Applicants will further be ranked, with priority given to very-low, then low, then moderate income groups. After serving Special Needs households sufficient to meet set-asides for the funding year, all other Applicants deemed eligible will be considered equally, with priority given to very-low, then low, then moderate income groups.

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:

All applications are accepted on a first qualified/first served basis. Ranking Priority:

1. Special Needs Households
 - a. Very low
 - b. Low
 - c. Moderate
2. After Special Needs set-asides are met
 - a. Very low
 - b. Low
 - c. Moderate

Exceptions will only be taken if necessary to meet a statutory requirement close to the expenditure deadline.

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, and 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.

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 money deposited in the local housing assistance trust fund is 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 that 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	City of Melbourne	10%
Third Party Entity/Sub-recipient		



- 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:** In addition to the administrative costs listed above item Q, the City of Melbourne will charge a reasonable project delivery cost performed by non-salaried employees and non-City employees for eligible rehabilitation projects. The fee will not exceed 5% of the contracted SHIP award and will not be included in the amount of the recorded mortgage and note.
- T. Essential Service Personnel Definition (ESP):** ESP includes as defined in accordance with Chapter 67-37.002(11) and 67-37.005(10) F.A.C. and §420.9075(3)(a), F.S. means all persons who contribute to the growth and well-being of the City. For the purpose of SHIP funding, the City of Melbourne considers the following groups as ESP: any person employed by the education, governmental and human service agencies; health care personnel; public safety personnel; any skilled building trade personnel and food service personnel.
- U. Describe efforts to incorporate Green Building and Energy Saving products and processes:** In accordance with the Energy Efficiency Objective and supporting policies, the City encourages energy efficiency in the design, construction and rehabilitation of new and existing residential buildings in the City and incorporate alternative energy technologies in the land development regulations.
- V. Describe efforts to meet the 20% Special Needs set-aside:** The City of Melbourne will utilize at least 20% of funding to assist persons meeting the State of Florida definition of special needs as defined by §420.0004(13), Chapter 67-37.002(21) F.A.C. The City works with non-profit housing agencies serving the designated special needs population. Prioritizing funding will be for the Homeowners with special needs for the Homeowner Occupied Rehabilitation Strategy.
- W. Describe efforts to reduce homelessness:** The City of Melbourne promotes collaboration and partnership among local social service organization, community-based and faith-based organizations as a primary way to address local needs and issues more effectively. Local homeless agencies are encouraged to refer persons living in transitional housing to apply for assistance under the City-funded homebuyer assistance programs and rental housing programs. The City of Melbourne is a member of the Brevard Homeless Coalition (BHC), the lead agency of the Brevard County Continuum of Care (BHC), a 501(c)(3) with an independent board of directors that represents a cross section of advocates supporters. Using general funds dollars, the City funds Case Management Service of \$50,000 to locate and work with homeless persons and families that need and want to get off the street and into housing.

Section II. LHAP Strategies (Please read LHAP Strategy Quick Guide before developing strategies):

A. Owner Occupied Rehabilitation	Code 3,6
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- a. Summary: This Strategy provides for the repair of existing homes, which are in substandard condition. Repairs must be prioritized in the following order: (i) to address code violations, (ii) to undertake, windstorm retrofit improvements, and (iii) to incorporate energy efficiency and green housing related repairs for sustainability and greater affordability, including but not limited to, window and door sealing/repair/replacements, HVAC repair/replacement, water saving fixtures, energy-star appliances, and use of environmentally safe paints, and primers. The Strategy may also provide for emergency repairs to correct substandard components of existing homes in otherwise adequate condition and/or to make accessibility improvements or modifications in home that are in otherwise livable condition.
- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$95,000
- e. Terms:
1. Repayment loan/deferred loan/grant:
 - Emergency Repair \$20,000
 - Rehabilitation/Repair \$95,000
 2. Interest Rate: 0%
 3. Years in loan term:
 - Under \$20,000 will be provided as a grant
 - \$20,001-\$50,000 10 Years
 - \$50,001-\$95,000 15 Years
 - Over \$95,000 20 Years
 4. Forgiveness:
 - 10 Years 10% Per Year
 - 15 Years 6.67% Per Year
 - 20 Years 5% Per Year
 5. Repayment: No repayment is required when the loan is in good standing.
 6. Default: The loan will be in default at any time prior to the end of the lien period if any of the following occurs during the loan term:
 - The property ceases to be the principal residence of the homeowner
 - Loss of Homestead Exemption
 - Upon sale or transfer of title



- Property is vacated and no longer the primary residence of the borrower
- Property is converted into rental unit
- In the event of the borrower's death, the estate of the borrower must provide written notice to the City Manager at least 60 days after the death of the borrower. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available (see attached Exhibit F pg. 3 section VI. Alternative Arrangements).

f. Recipient/Tenant Selection Criteria: Eligible Applicants will be approved for assistance on a first qualified, first served basis subject to funding availability and to maintain compliance with income-category reservations set forth in §420.9075(5) (2). In compliance with established City policy as set forth below other selection criteria are as follows:

1. Applicants must have a fee simple title to the property.
2. Applicants' principal residence must be a single-family home located in Melbourne.
3. First-time Applicants will be given priority over previously assisted persons. Exceptions may be made for eligible property owners in cases where living conditions threaten the personal health and safety of the household.
4. Applicants must be in good standing with the City (e.g. City utility accounts and property taxes must be current, and property must be free of code enforcement violations or any other assessments unless the owner is engaged in the process of paying off any such obligations).
5. Applicants must own and occupy the assisted home as their primary residence as evidenced by a homestead exemption (or eligibility for homestead exemption) on the assisted property.
6. The homeowner will select an approved contractor from those whose proposals meet, or which can be modified to meet bid requirements, and the satisfactory review of City staff.

g. Sponsor Selection Criteria: N/A

h. Additional Information: This strategy supports the goals, and objectives set forth in the housing Element of the City's Comprehensive Plan. SHIP funds will be leveraged with any rebates available for green initiatives. Applicants must be the owner-occupant of the property as established by eligibility of the State Department of Revenue Property Tax Homestead Exemption, the Applicants must be current on their mortgage, be current with their city utility accounts and property taxes and have no code enforcement liens or other assessments. The maximum project assistance for a qualified income eligible Applicant is \$95,000. The Housing and Urban Improvement Manager may approve an increase up to the \$107,000, the lifetime maximum for homes, if there are problems with the foundation of the home causing structural failures. Special exceptions to increase maximum project assistance and adjustments to lien periods are subject to City Council approval.

B. Demolition/Reconstruction	Code 4
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<p>a. Summary: This Strategy provides for funds to replace single-family homes, when upon inspection the home is found in substandard condition and where estimated cost of making the needed replacement and repairs is greater than or equal to (75%) of the estimated cost of new construction square foot based on the State of Florida Building Commission.</p>
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- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$107,000
- e. Terms:
1. Repayment loan/deferred loan/grant: Awarded as deferred payment loan secured by a note and mortgage.
 - Lifetime Maximum \$107,000
 2. Interest Rate: 0%
 3. Years in loan term:
 - \$50,001-\$95,000 15 Years
 - Over \$95,000 20 Years
 4. Forgiveness:
 - 15 Years 6.67% Per Year
 - 20 Years 5% Per Year
 5. Repayment: No repayment required when the loan is in good standing.
 6. Default: The loan will be in default, if at any time prior to the end of the lien period, if any of the following occurs during the loan term:
 - The property ceases to be the principal residence of the homeowner
 - Loss of Homestead Exemption
 - Upon sale or transfer of title
 - Property is vacated and no longer the primary residence of the borrower
 - Property is converted into rental unit
 - In the event of the borrower's death, the estate of the borrower must provide written notice to the City Manager at least 60 days after the death of the borrower. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available, (see attached Exhibit F pg. 3 section VI. Alternative Arrangements).
- f. Recipient/Tenant Selection Criteria: Eligible Applicants will be approved for assistance on a first-qualified, first served basis subject to funding availability and to maintain compliance with income-category reservations set forth in §420.9075(5)(e)(2). In compliance with established City policy as set forth below, other selection criteria are as follows:
1. Applicants must have a fee simple title to the property; or.
 2. Applicants must own and occupy the home as his/her principal residence.



3. Applicants' principal residence must be found to be substandard and not suitable for rehabilitation under existing City programs administered by the Housing & Urban Improvement Division.
4. Applicants agree to have the substandard home demolished. The choice/decision by the homeowner to demolish and replace their home must be totally voluntary.
5. Applicants' newly constructed home must be of adequate size and meet all City Code requirements including the Florida Building Code. Determination of adequate size will be based on the number of persons in the household for whom the head of household and spouse (if applicable) are legally responsible.
6. Applicants must complete a homebuyer education program approved by the City.
7. Applicants must be able to secure an affordable mortgage from an institutional first mortgage lender or be able to provide sufficient cash resources with which to pay for gap financing above the maximum award allowable. Other financing arrangements may be considered. In all instances, the City reserves the right to reject the financing terms of other lenders to protect its investment in the Applicants property.
8. Applicants must select a qualified builder/Contractor approved by the City to build the new home.
9. Applicants do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

Applicants will be referred to this program after the City has determined that their current home is substandard and not suitable for rehabilitation.

- g. Sponsor Selection Criteria: N/A
- h. Additional Information: This strategy supports the goals, objectives and policies set forth in the housing element of the City's Comprehensive Plan. SHIP funds will be leveraged with any rebates available for green initiatives. Applicants must be the owner-occupant of the property as established by eligibility of the State Department of Revenue Property Tax Homestead Exemption, the Applicants must be current on their current mortgage, must be current with their city utility accounts and property taxes, and have no code enforcement liens of any other assessments.

C. Purchase Assistance with/without Rehabilitation	Code 1,2
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a. Summary: This Strategy provides down payment, closing costs, and housing rehabilitation funds to homebuyers purchasing homes within the City limits of Melbourne.
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- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$ 47,500
 - Very low-income \$37,500 \$47,500 (Max) with rehabilitation included
 - Low-income \$35,000 \$45,000 (Max) with rehabilitation included
 - Moderate-income \$27,500 \$37,500 (Max) with rehabilitation included



When used to purchase an existing home requiring rehabilitation, an additional amount up to \$10,000 is available for any combination of down payment, closing costs and rehabilitation. For a maximum award of \$47,500 for very low-income, \$45,000 for low-income, and \$27,500 moderate-income.

e. Terms:

1. Repayment loan/deferred loan/grant: Awarded as deferred payment loan secured by a note and mortgage.
2. Interest Rate: 0%
3. Years in loan term:
 - Under \$15,000 5 Years
 - \$15,001-\$47,500 10 Years
4. Forgiveness:
 - 5 Years 20% Per Year
 - 10 Years 10% Per Year
5. Repayment: The mortgage constitutes a lien against the property for a fixed period. Upon expiration of such time, if the homeowner has complied with the loan program the loan is forgiven, and the mortgage is deemed satisfied. An owner disposing of an assisted unit prior to expiration of the lien period will also be required to pay the City a share of the net proceeds (if any) from the sale, proportional to the original amount of the SHIP assistance received based on the following formula:

Percentage of Net Proceeds Due to City

City Subsidy/Sale Price at the time of assistance x 100%

EXAMPLE: City Subsidy: \$12,500

Sale Price of home at the time of assistance: \$125,000

Percentage of net proceeds due: $\$12,500 / \$125,000 \times 100\% = 10\%$

Amount of net proceeds due to City when assisted property is sold

e.g. If net proceeds from the sale is \$25,000

Pro-rate share of net proceeds due to City $\$25,000 \times 10\% = \$2,500$

6. Default: The loan will be in default at any time prior to the end of the lien period if any of the following occurs during the loan term:
 - The property ceases to be the principal residence of the homeowner
 - Loss of Homestead Exemption
 - Upon sale or transfer of title
 - Property is converted into rental unit
 - In the event of the borrower's death, the estate of the borrower must provide written notice to the City Manager at least 60 days after the death of the borrower. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available, (see attached Exhibit F pg. 3 section VI. Alternative Arrangements).



In the event of non-payment or other default defined above, the City will follow its Housing Assistance Loan Repayment policies attached as Exhibit F.

- f. Recipient/Tenant Selection Criteria: Eligible Applicants will be approved for assistance on a first qualified, first served basis subject to funding availability and to maintain compliance with income-category reservations set forth in §420.9075(5)(g)2. Housing counseling and completion of a City approved homebuyer education class is a requirement for all Applicants of the program assistance.
- g. Sponsor Selection Criteria: One (1) eligible sub-recipient will be selected to implement the Purchase Assistance Program using criteria such as, but not limited to, the following:
 - 1. Eligible sponsors must be a not-for-profit organization whose primary purpose is the provision of affordable housing.
 - 2. Eligible sponsors must have demonstrated capacity and experience to administer the program.
 - 3. Eligible sponsors must be able to operate the program from an office site located to be convenient to Melbourne residents.
 - 4. Eligible sponsors that hire personnel from the Welfare Transition Program or that have personnel currently on staff that were hired from the Welfare Transition Program will be given priority over those sponsors who do not employ personnel from those programs.
 - 5. The duties of the eligible sponsor may include but are not limited to identification and acquisition of properties, homebuyer application in-take, income certification, work-write up, and rehabilitation of the acquired property and project oversight.
- h. Additional Information: The SHIP funds will be leveraged with institutional first mortgage lender financing and the homebuyer's private sources of funding. To complement the Purchase Assistance Strategy, the City or an eligible sponsor will offer a HUD approved Housing Counseling/Homebuyer Education Program. Mandatory one-on-one counseling will include subjects such as credit report view, determination of housing and debt ratios and what price house Applicants can afford, as well as post-purchase counseling. A City approved homebuyer's education course is mandatory for receipt of assistance under the Purchase Assistance Strategy.

D. Homeownership-Purchase Assistance with Sweat Equity	Code 1,2
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a. Summary: This Strategy provides funds for the acquisition and rehabilitation of existing homes, or the construction of new homes within the City limits of Melbourne for very-low and low income homebuyers for which the first mortgage is held by a non-profit, non-institutional mortgage lender and homebuyers are required to contribute sweat equity (at least 250 hours), unless special circumstances require alternate arrangements that are acceptable to the sponsor and approved by the City.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate



- d. Maximum award: \$35,000
- e. Terms:
1. Repayment loan/deferred loan/grant: Awarded as deferred payment loan secured by a note and mortgage.
 2. Interest Rate: 0%
 3. Years in loan term:
 - Under \$15,000 5 years
 - \$15,000-\$35,000 10 years
 4. Forgiveness:
 - 5 years 20% per year
 - 10 years 10% per year
 5. Repayment: No repayment required when the loan is in good standing.
 6. Default: The loan will be in default at any time prior to the end of the lien period if any of the following occurs during the loan term:
 - The property ceases to be the principal residence of the homeowner
 - Loss of Homestead Exemption
 - Upon sale or transfer of title
 - Property is converted into rental unit
 - In the event of the borrower's death, the estate of the borrower must provide written notice to the City Manager at least 60 days after the death of the borrower. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available, (see attached Exhibit F pg. 3 section VI. Alternative Arrangements).

In the event of non-payment or other default defined above, the City will follow its Housing Assistance Loan Repayment policies attached as Exhibit F.

- f. Recipient/Tenant Selection Criteria: Eligible Applicants will be approved for assistance by an eligible sponsor on a first-qualified, first assisted basis subject to funding availability. Housing counseling and completion of a City approved homebuyer education class is a requirement for all Applicants of program assistance. Preference will be given to first-time homebuyers.
- g. Sponsor Selection Criteria: Sponsor Selection Criteria: One (1) eligible sponsor will be selected to implement the purchase assistance with Sweat Equity Program using criteria such as, but not limited to the following:
1. Eligible sponsors must be a non-for-profit organization whose primary purpose is the provision of affordable housing.



2. Eligible sponsors must have demonstrated capacity and experience to administer the program.
3. Eligible sponsors must be able to operate the program from an office site located so as to be convenient to Melbourne residents.
4. Eligible sponsors must hold the first mortgage and must require a sweat equity contribution from the homebuyer.
5. Eligible sponsors that hire personnel from the Welfare Transition Program or that have personnel currently on staff that were hired from the Welfare transition Program will be given priority over those sponsors who do not employ personnel from those programs.
6. The duties of the eligible sponsor may include but are not limited to identification and acquisitions of properties, homebuyer application in-take, income certification, work-write up, and rehabilitation of the acquired property and project oversight.

- h. Additional Information: SHIP funds will be leveraged with non-profit first mortgage lender financing, the homebuyer's minimum contribution of at least \$500, and the homebuyer's sweat equity.

E. Homeownership-Disaster Relief	Code5,16
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a. Summary: The Disaster Relief Strategy provides funds to households following a disaster or emergency declared by the President of the United States or Governor of the State of Florida. SHIP disaster funds may be used for items such as but not limited to: (a) purchase of emergency supplies for eligible households to weatherproof damaged homes; (b) interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable; (c) construction of wells or repairs of existing wells where public water is not available ; (d) security deposit for eligible recipients that have been displaced from their homes due to disaster; (f) rental and utility assistance for eligible Applicants; (g) mortgage and utility payment assistance for eligible Applicants; (h) strategies include in the approved LHAP that benefit Applicants directly affected under the Executive Order; (i) other eligible activities as proposed to and approved by Florida Housing.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028

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

- d. Maximum award: \$107,000

- Emergency repair: \$20,000
- Rehabilitation \$95,000
- Reconstruction \$107,000
- Monthly Mortgage Assistance \$2,500 Per Month up to three months
- Monthly Rental Assistance \$2,500 Per Month up to three months

- e. Terms:

1. Repayment loan/deferred loan/grant: Assistance will be in the form of a grant, or a deferred loan secured by a note and mortgage.



2. Interest Rate: 0%
3. Years in loan term:
 - Under \$20,000 will be provided as a grant
 - \$20,001-\$50,000 10 years
 - 50,001-\$95,000 15 years
 - Over \$95,000 20 years
4. Forgiveness:
 - 10 years 10% per year
 - 15 years 6.67% per year
 - 20 years 5% per year
5. Repayment: No repayment required when the loan is in good standing.
6. Default: The loan will be in default if at any time prior to the end of the lien period if any of the following occurs during the loan term:
 - The property ceases to be the principal residence of the homeowner
 - Loss of Homestead Exemption
 - Upon sale or transfer of title
 - Property is converted into rental unit
 - In the event of the borrower's death, the estate of the borrower must provide written notice to the City Manager at least 60 days after the death of the borrower. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available (see attached Exhibit F pg. 3 section VI. Alternative Arrangements).

In the event of non-payment or other default defined above, the City will follow its Housing Assistance Loan Repayment policies attached as Exhibit F.

- f. Recipient Selection Criteria: Eligible Applicants will be approved for assistance on a first qualified, first served basis subjected to funding availability and to maintain compliance with income-category reservations set forth in §420.9075(5)(g) 2. in compliance with established City policy
- g. Sponsor/Sub-recipient Selection Criteria: This Strategy will be administered by the City of Melbourne Housing and Urban Improvement Division.
- h. Additional Information: This Strategy will be funded and implemented only in the event of an emergency or disaster declaration using any funds that have not been previously encumbered in existing strategies. Assistance is leveraged with Applicants own sources of funds (e.g., insurance) and may be leverage with other federal and/or state emergency programs.

F. Rental Development

Code 14,21

a. Summary: This Strategy provides funds to eligible sponsors for rehabilitation, new construction and/or acquisition of rental units within the City of Melbourne.

b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028

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

d. Maximum award: \$50,000 Per Unit

For profit developers will be required to contribute 50% of total development costs per unit from other sources.

e. Terms:

1. Repayment loan/deferred loan/grant: Assistance to eligible sponsors under this strategy will be in the form of a forgivable loan and secured by a note and mortgage.
2. Interest Rate: 0%
3. Years in loan term: 15 Years
4. Forgiveness: Assistance provided will be forgiven upon maturity of the loan
5. Repayment: No repayment when the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer or conveyance of property. One hundred percent (100%) of the funds must be repaid if, at any time during the lien period, the property is sold or transferred by the owners, unless the property is sold or transferred to an eligible non-profit organization approved by the City to continue serving the housing needs of the low-income persons. In addition, when the repayment requirement is triggered by sale (voluntary or involuntary), the City will share in the net proceeds from the sale of the property based on the ratio of the City's investment to the appraised value at the time of sale as follows:

City share of net proceeds = SHIP subsidy/Sale price x Net proceeds

- f. Recipient/Tenant Selection Criteria: The units rehabilitated or constructed under this strategy must be rented to income eligible persons on a first-qualified, first-served basis.
- g. Sponsor Selection Criteria: Eligible Developers will be approved for assistance subject to funding availability, potential sponsors will be solicited through competitive request for proposal process. Eligible Developers will comply with statutory requirements, and the measure described below.



1. Developers who set-aside the highest percentage of units for very low-income households will receive preferential consideration for funding over those who set-aside a lower percentage of units.
2. Developers targeting persons with special needs, as defined in Rule Chapter 67-37(21), F.A.C., will be given priority over those who do not.
3. Eligible not-for-profit sponsors will be given priority over for-profit sponsors.
4. Developers who are receiving federal or state funds to finance their project will be given priority over sponsors who are not receiving such financing.

h. Additional Information: The award is per unit for Rental Development sponsors for rehabilitation, new construction and /or acquisition of rental units.

G. Foreclosure Prevention

Code 7

a. Summary: This Strategy provides assistance to income-eligible Applicants in preventing foreclosure, through a one-time financial assistance offer. Applicants must show that their financial difficulties are temporary and result from changes in or loss of household income. These may include, but are not limited to, unforeseen medical expenses or diagnoses, divorce or separation leading to a loss of income, the death of a spouse resulting in a loss of income, unexpected home repair bills, a reduction in scheduled work hours, or job loss through no fault of the Applicants.
--

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$8,000
- e. Terms:
1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 2. Interest Rate: 0%
 3. Years in loan term: 2 years
 4. Forgiveness: The entire loan amount will be forgiven after 2 years of occupancy.
 5. Repayment: No repayment required when the loan is in good standing.
 6. Default: The loan will be in default at any time prior to the end of the lien period if any of the following occurs during the loan term:
 - The property ceases to be the principal residence of the homeowner
 - Loss of Homestead Exemption
 - Upon sale or transfer of title



- Property is converted into a rental unit
- In the event of the borrower's death, the estate of the borrower must provide written notice to the City Manager at least 60 days after the death of the borrower. If such notice is provided unless prohibited by the funding source, acceptable alternative arrangements may be available, (see attached Exhibit F Pg. 3 section VI. Alternative Arrangements).

If any of these occur, the outstanding balance will be due and payable.

- f. Recipient/Tenant Selection Criteria: Eligible Applicants will be approved for assistance on a first qualified, first served basis subject to funding availability and to maintain compliance with income-category reservations set forth in §420.9075(5) (2).
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Property taxes and homeowner's insurance must be paid current unless these amounts were being escrowed as part of the mortgage payment. The property shall not have other liens other than the first mortgage or previous SHIP, CDBG, or HOME lien against it. No assistance will be provided to any property owner whose home is in the process of foreclosure or who has delinquent tax liens or other liens, with the exception of a previous SHIP, CDGB or HOME lien against it.

III. LHAP Incentive Strategies

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

- A. Name of the Strategy: The **Affordable Housing Advisory Committee recommends this expedited permit and plan review process continue.**

(2) All allowable fee waivers provided for the development or construction of affordable housing.

City Code allows affordable housing projects to defer payment of transportation, water, sewer, mobility, recreation, and public facilities impact fees. The deferral (%) amount increases based on whether the housing units are provided for moderate (25%), low (50%), and very low-income (100%) households. The duration of the deferral will be as determined by the affordability period table in city code. The non-deferred amount must be paid prior to certificate of occupancy. At the completion of the affordability period for low and very low-income households, the applicable deferred fees may be administratively waived by the city if the development has remained in compliance with all standards within city code, excluding water and sewer impact fees.

- B. Name of the Strategy: The **Affordable Housing Advisory Committee recommends continuation of these impact fee deferrals/waivers.**

(3) The allowance of flexibility in densities for affordable housing.

Density allowance is designated by the Future Land Use category established in the City's Comprehensive Plan.



Additionally, City Code allocates a density allowance based on whether or not the property is located within an activity center. The city has designated activity centers to reflect the need to intensify and consolidate complementary land uses in strategic locations to prevent urban sprawl and encourage alternative transportation options. Affordable housing developments within the R-1B, R-2, and R-3 zoning districts could be permitted with a 30% density bonus. Live local act affordable housing developments in the R-P, C-1A, C-1, C-2, C-3, C-P, C-E, M-1, and M-2 zoning districts are allowed a residential density of 130 dwelling units per acre which is the highest density allowance anywhere in the city.

C. Name of the Strategy: The Affordable Housing Advisory Committee recommends continuance to allow increases in density for affordable housing developments.

(4) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.

The City's concurrency evaluation system measures the potential impact of any proposed project or expansion to an existing project for which a development order is required, upon the established minimum acceptable level of service for a roadway, solid waste, potable water, drainage, wastewater treatment, schools, or park/recreation public facility or service. No final development order shall be approved unless adequate public facilities and services are available as determined by the concurrency evaluation.

The Affordable Housing Advisory Committee recommends no changes.

(5) Affordable accessory residential units.

An accessory residential dwelling unit is allowed in residential zone districts with a minimum one-third acre lot area. In the Central Business Overlay Zone and the Eau Gallie Art Overlay, one accessory dwelling unit is allowed with no minimum lot area requirement. Within non-residential developments, one accessory residential dwelling unit is allowed. And in any of the city's activity centers, an accessory dwelling unit shall not be deemed to exceed the allowable residential density.

The Affordable Housing Advisory Committee recommends continuing these allowances for accessory dwelling units.

(6) The reduction of parking and setback requirements for affordable housing.

Setbacks are reduced for all affordable housing developments.

Single-family residential affordable housing developments are required to provide a minimum of two parking spaces with options to provide at least one garage space and one parking space in the driveway or one carport covered parking space and one parking space in the driveway.

Required parking spaces are reduced in affordable housing multi-family residential developments to include: one parking space for each efficiency and one bedroom dwelling unit, 1.5 parking spaces for each two-bedroom dwelling unit for a low or very low -income household, two parking spaces for each moderate-income two-bedroom dwelling unit, and two parking spaces for each three bedroom or more dwelling units.

No additional parking space is required for an accessory dwelling unit.

The Affordable Housing Advisory Committee recommends continuing these setbacks and parking allowances for affordable housing developments.

(7) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing. Lot dimensions specifically for affordable housing developments are established in city code to also include



affordable housing developments.

Townhome developments have interior zero lot line configurations.

C-3 (Central Business District) is a zero-lot line zoning district.

The Affordable Housing Advisory Committee recommends no changes.

(8) The modification of street requirements for affordable housing.

A local street right-of-way width requirement is 50 feet. Within that right-of-way width, the paved area must be at least 28 feet wide. This right-of-way area also typically includes sidewalks, drainage, and water & sewer lines.

Modification of these requirements affects all the other development elements utilizing the right-of-way area.

The Affordable Housing Advisory Committee recommends no changes.

(9) The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.

City staff present to the Affordable Housing Advisory Committee proposed changes that may affect the cost of housing. City staff will continue this practice.

The Affordable Housing Advisory Committee recommends no changes.

(10) The preparation of a printed inventory of locally owned public lands suitable for affordable housing updated annually and available on the City's website.

Staff proposed two properties to be removed from the list. Tax Account #2825021 was removed after determination that the low elevation and historic drainage occurring on the property will make an affordable housing development unfeasible. Tax Account #2747149 was removed after approval of a Development Agreement for development of the parcel for the Providence Place was approved by City Council in November of 2023

The Affordable Housing Advisory Committee recommends the removal of the two properties.

(11) The support of development near transportation hubs and major employment centers and mixed-use developments.

Mixed-use developments are allowed within the R-P, C-1A, C-1, C-3, and C-P zoning districts and live local act developments.

Future land uses allowing residential density and nonresidential floor area include: (Mixed Use) future land use allows higher density ranging from 30 dwelling units per acre to 100 in the activity centers of the city and an allowance of 15 dwelling units per acre outside the activity centers; (General Commercial) future land use density allowance is 15 dwelling units per acre in all areas; and (Office/Professional) future land use allows density of 15 dwelling units per acre in all activity centers and 10 dwelling units per acre outside an activity center. Live local act affordable housing developments are allowed a residential density of 130 dwelling units per acre. Mixed use live local act affordable housing developments must include at least 65 percent of the total square footage for all building area must be used for residential purposes.

Mixed Use future land use is prevalent in the Downtown and Eau Gallie redevelopment areas, along Lipscomb St., and the Mayfair property east of Babcock St. north of Pirate Ln. Other areas of the City with (Mixed Use) future land use include west of MLK Blvd north of Hibiscus Blvd. and south of Nasa Blvd., west of Babcock St. in the Nieman Rd. area, as well as other pockets throughout the City.

General Commercial future land use is prevalent along the major roadways throughout the City.

Office/Professional future land use is mostly along Sarno Rd. with pockets of areas along Babcock St. south of New Haven Ave., MLK Blvd. between Hibiscus Blvd. and New Haven Ave., and along the east side of Dairy Rd. south of



New Haven Ave. and north of Edgewood Dr.

The Affordable Housing Advisory Committee recommends mixed-use developments continue to be encouraged within these designated areas of the City.

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.

Optional

- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement (Required if applicable).
- H. Other Documents Incorporated by Reference.

ADMINISTRATIVE BUDGET FOR EACH FISCAL YEAR

Exhibit A

Exhibit A (2025)

(Local Government name)

Fiscal Year: 2025-2026	
Estimated SHIP Funds for Fiscal Year:	\$ 665,268.00
Salaries and Benefits	\$ 60,762.57
Office Supplies and Equipment	\$ 1,921.41
Travel Per diem Workshops, etc.	\$ 1,921.41
Advertising	\$ 1,921.41
Other*	\$
Total	\$ 66,526.80
Admin %	10.00%
	OK
Fiscal Year 2026-2027	
Estimated SHIP Funds for Fiscal Year:	\$ 665,268.00
Salaries and Benefits	\$ 60,762.57
Office Supplies and Equipment	\$ 1,921.41
Travel Per diem Workshops, etc.	\$ 1,921.41
Advertising	\$ 1,921.41
Other*	\$
Total	\$ 66,526.80
Admin %	10.00%
	OK
Fiscal Year 2027-2028	
Estimated SHIP Funds for Fiscal Year:	\$ 665,268.00
Salaries and Benefits	\$ 60,762.57
Office Supplies and Equipment	\$ 1,921.41
Travel Per diem Workshops, etc.	\$ 1,921.41
Advertising	\$ 1,921.41
Other*	\$
Total	\$ 66,526.80
Admin %	10.00%
	OK
<p>*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.</p> <p>Details:</p>	

Exhibit B
Timeline for SHIP Expenditures

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

Fiscal Year	Encumbered	Expended	Closeout Report
2025-2026	6/30/2027	6/30/2028	9/15/2028
2026-2027	6/30/2028	6/30/2029	9/15/2029
2027-2028	6/30/2029	6/30/2030	9/15/2030

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

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2022-2023	3/30/2028	6/15/2028
2023-2024	3/30/2029	6/15/2029
2024-2025	3/30/2030	6/15/2030

Requests for Expenditure Extensions (close-out year ONLY) must be emailed to robert.dearduff@floridahousing.org and kathy.cutler@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/timeline 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.

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.

ACFR financial statements are due each June 30 for the report ending September 30 of the previous year.

[illegible]

FLORIDA HOUSING FINANCE CORPORATION													
HOUSING DELIVERY GOALS CHART													
2026-2027													
Name of Local Government: City of Melbourne													
Estimated Funds (Anticipated allocation only): \$ 665,268													
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												
3	Owner Occupied Rehabilitation	Yes	2	\$95,000	2	\$95,000			\$380,000.00	\$0.00	\$380,000.00	4	
1,2	Purchase Assistance with or without Rehabilitation	Yes	1	\$47,500	1	\$45,000	1	\$37,500	\$130,000.00	\$0.00	\$130,000.00	3	
7	Foreclosure Prevention	Yes	3	\$8,000	2				\$24,000.00	\$0.00	\$24,000.00	5	
4	Demolition/Reconstruction	Yes							\$0.00	\$0.00	\$0.00	0	
5,16	Disaster Relief	Yes							\$0.00	\$0.00	\$0.00	0	
									\$0.00	\$0.00	\$0.00	0	
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**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

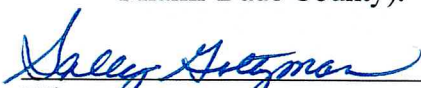
Local Government or Interlocal Entity: City of Melbourne

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 (ACFR). An electronic copy of the ACFR 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).



Witness



Witness

APR 30 2025

Date

OR

Attest:





Chief Elected Official or designee

Jenni Lamb, City Manager
Type Name and Title

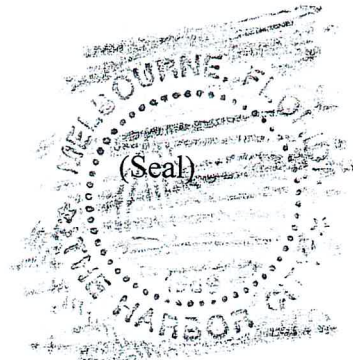


Exhibit E

RESOLUTION NO. 4340

A RESOLUTION OF THE CITY OF MELBOURNE, BREVARD COUNTY, 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; MAKING FINDINGS; AUTHORIZING AND DIRECTING THE CITY MANAGER 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; AND PROVIDING FOR ADOPTION.

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, Sections 420.907 - 420.9079, Florida Statutes, and Rule Chapter 67-37, Florida Administrative Code, require local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used; and

WHEREAS, the SHIP Act 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. 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 of the local housing distribution plus five percent 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 of the local housing distribution plus five percent of program income deposited into the trust fund, except that small counties, as defined in Section 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to ten percent of program income for administrative costs; and

WHEREAS, the Community Development Department has prepared a three-year Local Housing Assistance Plan 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 Melbourne to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds.

BE IT RESOLVED BY THE CITY OF MELBOURNE, FLORIDA:

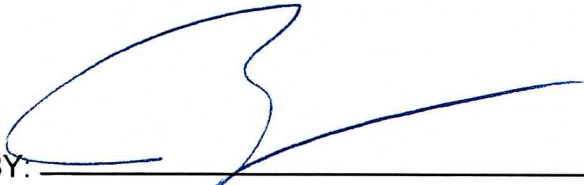
SECTION 1. That the City Council hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto, for submission to the Florida Housing Finance Corporation as required by Section 420.907 – 420.9079, Florida Statutes, for fiscal years 2025-2026, 2026-2027, and 2027-2028.

SECTION 2. That the City Council hereby approves use of up to ten percent of the local housing distribution plus ten percent of program income for administrative expenses.

SECTION 3. That the City Manager 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 4. That this resolution shall become effective immediately upon its adoption in accordance with the Charter of the City of Melbourne.

SECTION 5. That this resolution was duly adopted at a regular meeting of the City Council on the 22nd day of April, 2025.

BY: 
Paul Alfrey, Mayor

ATTEST: 
Kevin McKeown, City Clerk



Attachment: Local Housing Assistance Plan
Resolution No. 4340

Exhibit F
City of Melbourne
Housing Assistance Loan Repayment Policies

I. Purpose

The purpose of this document is to establish mechanisms and standards to provide fair, prompt and equitable treatment of homeowners violating the terms of the City Housing Programs, including housing rehabilitation/reconstruction, purchase assistance, or purchase assistance with sweat equity programs financed with federal and state funds through the City of Melbourne.

II. Background

Homeowners receiving rehabilitation or reconstruction assistance, purchase assistance or purchase assistance with sweat equity under federal and state-funded City housing assistance programs are required to repay the City in accordance with the terms of the encumbrance documents recorded against the subject property. The assistance is provided in the form of a forgivable loan secured by a mortgage (in favor of the City) against the subject property. Each assisted homeowner executes a mortgage note and security agreement as a condition of receiving assistance. The mortgage constitutes a lien against the property for a fixed period. Upon expiration of such time period, if the homeowner has complied with the loan program, the loan is forgiven and the mortgage is deemed satisfied. If prior to the expiration of the loan period any of the following occurs, the homeowner is considered to have violated the terms of the program and the Balance Due is required to be repaid to the City:

- the property ceases to be the principal residence of the Borrower,
- title is transferred,
- upon refinancing, unless the City agrees to subordination, or
- upon declaration of default for violation of other terms of the subject mortgage note and security agreement.

III. Definitions

“Balance Due” means and refers to the unpaid amount due to the City pursuant to the subject mortgage note and security agreement.

“Borrower” means and refers to the recipient(s) of a Housing Program loan, as identified in the subject mortgage note and security agreement.

“Housing Program” means and refers to the housing rehabilitation/reconstruction program, the purchase assistance program, and the purchase assistance with sweat equity program, each financed with federal or state funds through the City of Melbourne.

IV. Violation of Mortgage Arising from Ownership and Occupancy

Loans provided under the Housing Program require the Borrower to occupy the subject property and require title to the subject property to remain solely in the name of the Borrower. Accordingly, the Borrower violates the terms of the mortgage upon transferring title to the subject property or failing to occupy the subject property as a principal residence.

Exhibit F

A. Borrower-Occupied Transfer of Title

Despite occupying the subject property, the Borrower may not transfer title to the subject property. Such transfer of title constitutes a violation of the terms of the loan documents. Borrower must repay the City the Balance Due by certified check immediately at or before transfer of title.

The City will from time to time perform verification of title of the subject property. In the event of violation of the mortgage, the City shall pursue its legal rights and remedies under the mortgage and Florida law, including but not limited to foreclosure.

Borrower must notify the City of his/her intent to transfer title to the subject property at least 30 days prior to the effective date of the transfer of title. If notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available, as set forth in this policy.

B. Failure to Reside on Property

As a condition of receiving funding, the Borrower must reside on the subject property. Failure to occupy constitutes a violation of the terms of the loan documents. Borrower must repay the City the Balance Due by certified check immediately upon failing to reside on the subject property.

The City will from time to time perform verification of Borrower occupancy of the subject property. In the event of violation of the mortgage, the City shall pursue its legal rights and remedies under the mortgage and Florida law, including but not limited to foreclosure.

The Borrower must provide written notice to the City Manager at least 30 days prior to vacating or leasing the subject property. In the event of the Borrower's death, the estate of the Borrower must provide written notice to the City Manager at least 60 days after the death of the Borrower. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available, as set forth in this policy.

C. Refinancing

Refinancing the subject property constitutes a violation of the terms of the loan documents, unless the City agrees to subordinate its loan to the new loan or unless the loan documents do not consider refinancing a default. Borrower must repay the City the Balance Due by certified check at or before closing.

In the event of a violation of the mortgage, the City shall pursue its legal rights and remedies under the mortgage and Florida law, including but not limited to foreclosure.

The Borrower must provide written notice to the City Manager at least 30 days prior to refinancing the subject property. If such notice is provided, unless prohibited by the funding source, acceptable alternative arrangements may be available, as set forth in this policy.

D. Violation Under the Terms of a Mortgage

A violation of the terms of a first mortgage or the City's mortgage constitutes a violation of the terms of the City's loan documents. Borrower must repay the City the Balance Due by certified check immediately upon violation under the terms of any such mortgage.

In the event of a violation of the mortgage, the City shall pursue its legal rights and remedies under the mortgage and Florida law, including but not limited to foreclosure.

Unless prohibited by the funding source, acceptable alternative arrangements may be available, as set forth in this policy.

V. Repayment

Upon violation of the terms of the City's loan documents, the Borrower must pay the City the Balance Due. Upon payment of the Balance Due, a satisfaction of mortgage will be recorded in the Official Records of Brevard County, Florida. In the event the Balance Due is not paid in full, the City shall pursue all of its rights and remedies under the mortgage and Florida law, including foreclosure or a deed in lieu of foreclosure.

VI. Alternative Arrangements

Unless prohibited by the funding source, acceptable alternative arrangements may be available, including the following:

1. Lease of the subject property within the scope of the City's affordable housing program, provided that tenant rent and income limits are in accordance with the funding source of the assistance and the terms established by the City; or
2. Lease of the subject property, provided that an assignment of rents and leases in favor of the City is executed and all rent is paid to the City until the balance of the mortgage has been paid in full; or
3. Loan modification, as set forth below; or
4. Assumption of loan, provided the subsequent owner qualifies for Housing Program funding.

VII. Loan Modification

The City Manager may modify the subject Housing Program loan, including reduction of the Balance Due and/or a modified repayment schedule, provided all of the following conditions are met:

1. Proper notice is provided to the City, as determined by the loan documentation and this policy; and
2. The City Manager determines that the value of the subject property is less than the

balance due on any superior mortgage, as applicable, plus the Balance Due under the City's mortgage, as demonstrated by *bona fide* written evidence specific to the subject property; and

3. The subject property remains in compliance under the terms of restrictive covenants of record, if any; and
4. The first mortgage lender, if any, agrees to a pro-rata reduction of the first mortgage; and
5. If the modification of the City's loan reduces the Balance Due by more than 50% or \$25,000, whichever is greater, such loan modification is subject to approval by City Council.

VIII. Subsequent Owner

Nothing in this policy shall be read to prohibit a subsequent owner from applying for assistance funded by the City's Housing Programs, unless otherwise prohibited by the funding source.¹

IX. Complaints and Appeals

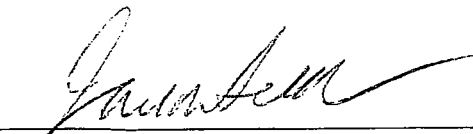
Any complaint arising from the application of this policy shall be submitted within 60 days of the underlying action and in writing directed to the Housing and Community Development Director. City staff of the Housing and Community Development Department will assist in identifying the issues underlying such complaint. The Housing and Community Development Director shall issue promptly a written response to the complaint. Such response will include a copy of this policy.

An appeal of the Director's response may be initiated by any person aggrieved and substantially affected greater in degree than the community at large. Such appeal shall be filed no later than 30 days following the date of Director's response. An appeal is initiated by filing with the City Manager, with a copy to the Housing and Community Development Director, a notice of appeal specifying the Director's response appealed from and a description of the reasons why the response is in error.

VI. Effective Date

The policies governing repayment of forgivable loans under the City's Housing Programs go into effect immediately upon adoption by City Council.

Adopted by City Council at its Regular Meeting held April 27, 2010.



Jack M. Schluckebier, Ph.D., City Manager

¹ The Housing Program for purchase assistance funded by the HOME Investment Partnership Program may limit subsequent purchasers to unrelated third parties.