

MEMORANDUM

Agenda Item No. 8(K)(2)


TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 2, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution authorizing the Board to adopt and approve the Local Housing Assistance Plan as required by the State Housing Initiatives Partnership Program Act, Sections 420.907-420.9079, Florida Statutes, and Rule 67-37, Florida Administrative Code

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Health and Social Services Committee.



R. A. Cuevas, Jr.
County Attorney


RAC/smm

Memorandum



Date: July 2, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Approving the State Housing Initiatives Partnership Local Housing Assistance Plan for FY 2013-14, FY 2014-15, and FY 2015-16

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached resolution to: 1) adopt the State Housing Initiatives Partnership (SHIP) Local Housing Assistance Plan (LHAP) for FY 2013-14, FY 2014-15, and FY 2015-16 (Attachment 1); 2) authorize the County Mayor or County Mayor's designee to execute any documents and certifications required by the Florida Housing Finance Corporation (FHFC) as related to the LHAP; and 3) authorize the County Mayor or the County Mayor's designee to do all things necessary and proper to carry out the term and conditions of said program as described in the attached LHAP. It is noted that SHIP funding shall continue to be awarded to for-profit and not-for-profit entities through a competitive process, receive oversight through the Affordable Housing Advisory Board in accordance with Florida State Statute 420.9072(b)(4), and shall be subject to final approval by the Board, pursuant to Miami-Dade County Ordinance 07-122.

Scope

The impact of the State Housing Initiatives Partnership Local Housing Assistance Plan is countywide.

Fiscal Impact/Funding Source

Approval of the three-year SHIP LHAP will not require additional resources, as it sets the strategies that the County will follow to allocate SHIP funds in FY 2013-14 through FY 2015-16. While the State has yet to release the amount of funding for FY 2013-14, staff is utilizing an estimate of \$2,700,000.00 based on a past allocation.

The program's administrative costs are covered by SHIP funds as allowed under the administrative cap requirement. These required administrative costs were included as part of the adopted budget for Public Housing and Community Development Department (PHCD) and may not exceed ten percent (10 %) of the annual allocation in addition to a maximum of five percent (5%) of the program income deposited into the trust fund, as per Resolution No. R-517-95.

Track Record/Monitor

This program will continue to be operated by the County under the purview of Gregg Fortner, Executive Director, Public Housing and Community Development Department.

Background

The SHIP program provides housing opportunities for very-low-, low-, and moderate-income persons by encouraging the construction, rehabilitation and purchase of affordable housing units. More specifically, the SHIP program provides funding to defray costs of land

acquisition, site development, new construction, rehabilitation and/or other costs associated with the development of homeownership and affordable rental housing units.

The SHIP program provides construction loans to developers, which have been awarded through a competitive Request for Application process and approved by the Board. In addition, SHIP funds provide soft second and third mortgages to homebuyers and rehabilitation loans to homeowners. SHIP funds also provide for foreclosure prevention assistance.

On April 20, 2010, the Board approved the current SHIP LHAP through Resolution No. R-450-10 which covers FY 2010-11, FY 2011-12, and FY 2012-13. This resolution will approve the subsequent three-year SHIP LHAP for FY 2013-14, FY 2014-15, and FY 2015-16. In accordance with Florida Statute 420.9072(2)(b)2, the Board must approve a resolution as part of the SHIP LHAP's submission to the State of Florida by May 2, 2013 to meet the beginning of the State's fiscal year which begins July 1, 2013. Staff has informed the State that the SHIP LHAP will be submitted upon the Board's final action. Consequently, it is also recommended that the County Mayor waive his veto authority and allow PHCD to submit the SHIP LHAP immediately after Board approval.

The proposed SHIP LHAP does not incorporate new strategies or activities. The changes that have been made to the proposed SHIP LHAP are as follows: the description of loan terms governing owner-occupied rehabilitation and rental housing development loans were updated to ensure consistency with revised Department policies and procedures governing such loans; the maximum amount of rehabilitation loans available to elderly and disabled households are increased from \$20,000.00 and \$30,000.00 to \$35,000.00 and \$45,000.00 respectively; and the proposed maximum foreclosure assistance is increased from \$5,000.00 (as set forth in the last SHIP LHAP) to \$7,500.00.

Additionally, the proposed SHIP LHAP removes the Florida Homebuyer Opportunity Program. The program was created in response to the American Recovery and Reinvestment Act of 2009 legislation. It required local governments to expend a portion of their SHIP funds to ensure residents derive the maximum possible economic benefit from the federal First Time Homebuyer Tax Credit program. Since the tax credit program no longer exists, the language is being removed.

On May 9, 2013, the Affordable Housing Advisory Board reviewed and approved by a unanimous vote, the SHIP LHAP for FY 2013-14, FY 2014-15, and FY 2015-16.

Attachments



Russell Benford, Deputy Mayor



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 2, 2013

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(K)(2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(2)
7-2-13

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE BOARD TO ADOPT AND APPROVE THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SECTIONS 420.907-420.9079, FLORIDA STATUTES, AND RULE 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS NEEDED BY THE STATE, TO SUBMIT THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL TO THE FLORIDA HOUSING FINANCE CORPORATION, AND TO DO ALL THINGS NECESSARY AND PROPER TO CARRY OUT THE TERMS AND CONDITIONS OF THE PROGRAM PURSUANT TO THE LOCAL HOUSING ASSISTANCE PLAN, WITH CERTAIN EXCEPTIONS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, including Attachments 1, A, & B, Exhibits A, B, C, D, F, & I a copy of which is incorporated herein by reference; and

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 (1992), 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 State Housing Initiatives Partnership Act requires local governments to establish the maximum State Housing Initiatives Partnership funds allowable for each strategy; and

WHEREAS, the State Housing Initiatives Partnership 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, the Board of County Commissioners finds that it is in the best interest of the public for Miami-Dade County to submit the Local Housing Assistance Plan for review and approval so as to qualify for said funds,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The Board of County Commissioners of Miami-Dade County hereby approves the Local Housing Assistance Plan, as attached and incorporated herein for submission to the Florida Housing Finance Corporation as required by Sections 420.907-420-9079, Florida Statutes, for fiscal years 2013-2014, 2014-2015, and 2015-2016.

Section 2. The County Mayor or County Mayor's designee 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 terms and conditions of said program, except that State Housing Initiatives Partnership awards to for-profit and not-for-profit entities shall be conducted through competitive processes and shall be subject to approval by the Board of County Commissioners.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of July, 2013. This resolution shall become effective upon the earlier of (1) ten (10) days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Shannon D. Summerset-Williams

MIAMI-DADE COUNTY, FLORIDA

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

FISCAL YEARS COVERED

FY 2013-14, 2014-15, 2015-2016

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I. PROGRAM DESCRIPTION:

A. Name of the participating local government and Interlocal if Applicable:

__Miami Dade County, FL_____

Interlocal : Yes _____ No X_____

Name of participating local government(s) in the Interlocal Agreement;

____Not Applicable_____

A copy of the Interlocal Agreement is attached as Exhibit H.

B. Purpose of the Program:

Creation of the Plan is for the purpose of meeting the housing needs of the very low, low and moderate income households, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing.

Miami-Dade County, Florida established the Affordable Housing Program in accordance with the provisions of Chapter 420.9072, Florida Statutes and Chapter 67-37 of the Florida Administrative Code (FAC), State Housing Initiative Partnership (SHIP) program. This program was enacted by the passage of Ordinance No. 97-65 on May 20, 1997.

It is the intent of this Program to increase housing opportunities for very-low, low- and moderate-income persons by encouraging the creation and rehabilitation of affordable housing units, both for homeownership and as rental units. Assistance may be provided to eligible homebuyers and homeowners, developers and community development corporations in the form of first, second, and third mortgage, gap financing for multifamily developments, and counseling services for first time homebuyers.

C. Fiscal years covered by the Plan:

_____FY 2013-2014_____

_____FY 2014-2015_____

_____FY 2015-2016_____

D. Governance:

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37 Florida Administrative Code.
The Miami Dade County SHIP Program does further the housing element of the local government Comprehensive Plan. **Cities and Counties must be in compliance with these applicable statutes and rules.**

E. Local Housing Partnership:

SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

Attachment 1

SHIP LHAP Template 2013
67-37.005(1), F.A.C.
Effective Date: 11/09

Through administration of the SHIP, Federal and local Documentary Surtax programs, Miami-Dade County partners with affordable housing developers to increase affordable housing stock. Special consideration is made for developers who incorporate sustainable, green initiatives within the design.

Miami-Dade County has developed partnerships with area lenders to encourage lending to very-low-, low income and moderate income homebuyers. Additionally, the County has implemented a foreclosure prevention program that provides post-homebuyer counseling for new homeowners as well as grants for mitigate foreclosure actions. These programs work in conjunction with lenders to purchase the loan in the event of default or in the alternative, serve to bring homebuyers current in the outstanding debt. In that way, the County can protect its investment in the property, and perhaps restructure the loan to fit the homeowner's financial situation.

The County has contracted with several homebuyer counseling entities that provide pre-homebuyer counseling, budgeting, and money management services. Completion of a homebuyer counseling program is a homeownership requirement of the Miami-Dade Affordable Housing Program.

F. **Leveraging:**

The Plans are 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. Miami-Dade County has developed partnerships with local lenders to leverage SHIP funds successfully. The County provides second mortgage financing on behalf of the homebuyer that makes up the difference between what the banks lend and the property's purchase price. Participating lenders have also agreed to limit the cost of the loan to the homebuyer. The County meets regularly with the lenders and their staff to keep them abreast of program guidelines and loan process. In specific cases, the County will provide additional mortgages to supplement the loan as needed on a case by case basis.

Through extensive coordination with other community resources, local SHIP funds are highly leveraged to reduce the cost of housing. For example, first mortgage funding is provided by participating lenders, while SHIP funds are being utilized for second mortgages or additional supplements with lower interest rates. This results in lower monthly payments with a combined lower interest rate. Also, local SHIP funds have been used in addition to local, state and federal housing dollars for multi-family developments and for providing housing to special needs and homeless populations. Miami-Dade County may provide construction loans to CDC's and private developers with the goal developing the affordable housing stock of Miami-Dade County. Moreover, SHIP loans are used to fund private developers with the goal of preserving and maintaining our existing affordable housing stock. Loans are available for both homeownership and rental projects, as well as rehabilitation of the existing housing stock. The rate and term of each loan will vary in accordance with the funding source availability and the respective program restrictions.

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.

Attachment 1

SHIP LHAP Template 2013

67-37.005(1), F.A.C.

Effective Date: 11/09

During the last 12 months, public input was solicited for the development of the Local Housing Assistance Plan primarily through one-on-one meetings with Private Developers, Community Development Corporation (CDC's), For Profit, Non-Profit Developers, realtors and participating lenders in ascertaining housing needs within the community. These agencies provided extensive comments and made recommendations to Miami-Dade County on both programmatic and implementation issues which resulted in a number of enhancements to the prior years programs.

Pursuant to Ordinance 07-122, the Miami-Dade County Affordable Housing Advisory Board (AHAB) consists of fifteen (15) members. The composition of the voting members is required to be ethnically, racially, geographically and gender balanced and is composed of the following members.

1. The Board of County Commissioners appoints thirteen (13) members.
 - a. One citizen actively engaged in the residential home building in connection with affordable housing, one citizen in the banking or mortgage banking industry in connection with affordable housing, one citizen in areas of labor actively engaged in home building in connection with affordable housing, one citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing, one citizen who is actively engaged as a for-profit provider of affordable housing, one citizen who is actively engaged as a not-for-profit provider of affordable housing, one citizen who is actively engaged as a real estate professional in connection with affordable housing, one citizen who actively serves on the local planning agency, one citizen who resides within the jurisdiction of the local governing body making the appointments, one citizen who represents employers within the jurisdiction, and one citizen who represents essential service personnel as defined in this LHAP.
 - b. For the remaining two (2) member positions, the Board of County Commissioners may consider the appointment of a member of the construction industry, a local community development corporation, attorney, architect, engineer or planning professional.
2. The Mayor appoints one member who is a member of the construction industry, local development corporation, attorney, architect, engineer, planning professional.
3. The Overall Tenant Advisory Council (OTAC) appoints one of its members.

The Affordable Housing Advisory Board is required to meet at least six (6) times during the county's fiscal year where the developers and the public have an opportunity to address the Board with their concerns. In addition, the Board of County Commissioners (BCC) has two public meetings that the developers as well as the individuals can attend before the BCC awards funding allocations.

H. Advertising and Outreach:

The county or eligible municipality or its administrative representative shall advertise the notice of funding availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

Miami-Dade County will advertise fund(s) availability in area newspapers with general circulation, participate in public information programs and housing fairs, make information available on the County's website, and issue public service announcements to the print and broadcast media. To further announce the program's availability, the County distributes

Attachment 1

SHIP LHAP Template 2013
67-37.005(1), F.A.C.
Effective Date: 11/09

informational brochures to the general public and through local community based groups, lenders, and neighborhood organizations.

In addition, the County administers a virtual one-stop housing center which describes available housing assistance programs as well as offers a real-time, searchable listing of affordable homes for rent or purchase. Housing units funded in part by SHIP and other resources must be listed on this web-based housing locator service.

Notice of the competitive process employed to select for-profit and not-for-profit entities for participation in SHIP-funded programs is advertised in three (3) local newspapers and in multiple languages and the County's website thirty (30) days prior to the beginning of the application period.

I. Discrimination:

In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or disability in the award application process for eligible housing.

Miami-Dade County complies with the Fair Housing Act.

J. 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 Transportation

Miami-Dade County has contracted with several homebuyer counseling entities that provide pre-homebuyer counseling, budgeting, and money management services. Completion of an 8 hour homebuyer counseling program is a homeownership requirement of the Miami-Dade Affordable Housing Program. Miami Dade County expanded its counseling services to include foreclosure prevention and mitigation.

K. 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 median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

- Independent Study
- U.S. Treasury Department
- Local HFA Numbers

The purchase price limit for new and existing homes is shown on the Housing Delivery Goals Charts. The program currently allows for a purchase price of up to 90% of the average area purchase price, however due to the current foreclosure crisis, the Board of County Commissioners has set the maximum purchase price to \$205,000 (see Exhibit I attached).

Homeownership Strategy - New Construction and Rehabilitation for Homeownership

The County has identified a need to generate extremely affordable housing stock through

Attachment 1

SHIP LHAP Template 2013
67-37.005(1), F.A.C.
Effective Date: 11/09

new construction or rehabilitation. Therefore, the purchase price for any homeownership unit for which SHIP funds were awarded to a for-profit or non-profit developer to defray development costs may not exceed \$205,000 with extremely favorable interest and/or repayment plans. For those individuals eligible under a special housing assistance category, to include elderly, homeless, migrant farm workers, and persons with disabilities, second mortgage assistance for either or rehabilitation of an existing unit, is considered forgivable after a certain period of time.

Homeownership Strategy – Homeownership Assistance Program

Second mortgage assistance to homebuyers is available to households with incomes up to 120% of area income for those who utilize SHIP funding. The County has other sources that reach 140% AMI. Eligible homebuyers may utilize the Program's second mortgage assistance to purchase affordable homes available on the private market as well as those produced under the County's capital award programs. For those individuals eligible under a special housing assistance category, to include elderly, homeless, migrant farm workers, and persons with disabilities, second mortgage assistance for home purchase is considered forgivable after a certain period of time.

To maximize homeownership opportunities under the Homebuyer Assistance Program, the maximum purchase price limit under the Homeownership Assistance Program may be adjusted annually at the same time each year at the start of the SHIP Program fiscal year (July 1). The maximum purchase price shall be ninety percent (90%) of the Single Family Mortgage Limit under Section 203(b) of the National Housing Act in effect as of July 1. The County will adjust the maximum purchase price annually, consistent with the above formula, for the Homebuyer Assistance Program. In accordance with Section 420.9071(22), F.S., the County will revise its LHAP and transmit it to the Corporation for purposes of notifying the Corporation of the technical revision to the LHAP.

Effective April 25, 2012, the maximum purchase price under the Homebuyer Assistance Program is \$391,153.00. However, as stated above, the County has imposed a \$205,000 maximum purchase price.

L. Income Limits, Rent Limits and Affordability:

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. 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.

Although the applicant's income level may not exceed 120% of the Miami-Dade County area median income adjusted for family size, preference will be given to families with an annual income of under 80% of median.

Through a competitive Request for Applications (RFA), issued annually, SHIP funds are awarded to non-profit and for-profit builders/developers towards new construction or rehabilitation of homeownership and rental units. By local policy, units constructed or

Attachment 1

SHIP LHAP Template 2013
67-37.005(1), F.A.C.
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rehabilitated for sale to eligible households may not exceed a sales price of \$205,000. Multi-family rental units must be affordable as defined above.

M. Welfare Transition Program:

Should an eligible sponsor be used, the city/county has developed a qualification system and selection criteria for applications for Awards to eligible sponsors, 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.

Not applicable.

N. Monitoring and First Right of Refusal:

In the case of rental housing, the staff or 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 the same 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 \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored for at least annually for 15 years or the term of assistance which ever 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.

Miami-Dade County monitors Developers/Owners for both programmatic and project-related compliance. A Field Officer conducts an annual on-site visit to ensure that proper procedures, tenant files and forms are in accordance with program requirements. In addition, a Housing Inspector will conduct an annual on-site inspection of the assisted units to ensure that they meet Housing Quality Standards (HQS) requirements.

During the monitoring visit the Field Officer will verify that the maximum monthly rents and the utility allowances charged are consistent with the rental regulatory agreement and revisions thereof. In addition, during the affordability period, the Field Officer will monitor the tenant annual income for compliance with the number of units set aside for the very-low, low and moderate income families as stated in the rental regulatory agreement.

Developers/Owners must conduct an annual on-site inspection for compliance with Federal HQS. Failure to maintain the property as per Federal HQS during the affordability period may result in the County declaring the Developer/Owner in default and calling the Note due and payable.

O. Administrative Budget:

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as Exhibit A. These are presented on an annual basis for each State fiscal year submitted.

Miami-Dade County finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. **Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code,**

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SHIP LHAP Template 2013
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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% of program income deposited into 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."

Miami Dade County has adopted the above findings in the attached resolution, Exhibit E.

P. Program Administration:

Administration of the local housing assistance plan is the responsibility of the applicable city/county. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program provide in detail the duties, qualification and selection criteria.

Miami-Dade County, through the Department of Public Housing and Community Development, is responsible for the following:

1. Overseeing the receipt and expenditures of SHIP program funds in accordance with the criteria set forth in the State Housing Initiatives Partnership Act and the Local Housing Assistance Plan.
2. Coordinating Miami-Dade County's efforts to promote the construction and development of affordable housing with state agencies, municipalities within the County and other public and private entities.
3. Evaluating the effectiveness of the County's Local Housing Assistance Program and providing recommendations to the Board of County Commissioners on an annual basis as to the performance of the Program.
4. Writing and managing the Annual Consolidated Plan for the allocation of SHIP funds.
5. Servicing of the second mortgage loans currently amortized and on file with the department.
6. Monitoring set-side units for tenant income, rent restrictions and housing standards for the SHIP funded Multifamily Rental developments.

The cost of administering Miami-Dade County's Local Housing Assistance Program shall not exceed ten percent (10%) of the County's distribution of SHIP Program funds. Miami-Dade County will require approximately five percent (5%) of program income not to exceed ten percent (10%) of the SHIP allocation.

Q. Essential Service Personnel:

Counties and eligible municipalities are required to include a definition of Essential Services Personnel as noted in Rule Chapter 67-37.002(8) F.A.C., Chapter 67-37.005(10), F.A.C. and Section 420.9075(3), F.S. Miami-Dade County defines "essential service personnel" as follows:

"Emergency Service Personnel" means emergency personnel, including firefighters, health care workers, teachers, and law enforcement and criminal justice personnel.

Attachment 1

SHIP LHAP Template 2013
67-37.005(1), F.A.C.
Effective Date: 11/09

- R. **Section 420.9075(3)(d), F.S.:** Requires counties and eligible municipalities to describe initiatives in their local housing assistance plans that encourage or require innovative design, green building principles, storm resistant construction or other elements that reduce long term costs relating to maintenance, utilities or insurance. Provide a brief description as required:

Miami-Dade County, through its consolidated annual allocation of funds process, awards SHIP funding for the development of multi-family rental housing. Extra points are given to applicants on a varying degree directly proportional to the type of sustainable and green use of design.

Section II. LHAP HOUSING STRATEGIES:

NOTES:

- Include a separate strategy for Disaster Mitigation
- In the event preference is given to Essential Service Personnel, plan text must so state pursuant to Chapter 67-37.005, F.A.C.
Strategy titles must be used consistently throughout plan text and the Housing Delivery Goals Charts. Acceptable strategy titles include but are not limited to: Housing Rehabilitation, Impact Fee Assistance, Purchase Assistance Existing with or without Rehabilitation, Purchase Assistance New Construction, Sweat Equity, Replacement Housing, and Disaster Relief.
- Plan text must include initiatives in the local housing assistance plan identifying current and emerging green building and design techniques and explain how these techniques are to be integrated into its housing strategies both for sustainability and promote greater affordability as required in Section 420.9075(3)(d), F.S.
- Plan text shall develop and include in the Local Housing Assistance Plan assistance to those having special housing needs as noted in Section 420.9075(1)(a), F.S.

Provide Description:

A. **Name of the Strategy: *Homeownership Strategy - New Construction and Rehabilitation for Homeownership***

a. Summary of the Strategy:

The Miami-Dade County Housing Development strategy will provide funds to defray the costs of land acquisition, new construction, rehabilitation and/or other costs associated with the development or rehabilitation of homeownership units by County departments and for-profit and not-for-profit builders/developers. SHIP awards to for-profit and not-for-profit builders/developers will be made through the County's competitive Consolidated Plan Request for Applications (RFA) or other competitive process.

b. Fiscal Years Covered:

FY 2013/2014, FY 2014/2015, FY 2015/2016

c. Income Categories to be served:

It is the intent of this program to increase housing opportunities for very-low, low, and moderate-income persons by encouraging the creation and rehabilitation of affordable housing units. Although applicant's income level may not exceed 120% of the Miami-Dade County area median income adjusted for family size, preference will

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be given to families with an annual income of under 80% of median. A competitive process is employed to select not-for-profit and for-profit builders/developers for participation in the program. A limit restricting the amount of assistance (30% of total development cost) per builder/developer will be established in order to expand the level of participation and diversity of the products.

- d. Maximum award is noted on the Housing Delivery Goals Charts:

All homes sold under the program must be affordable to very-low, low- and moderate-income persons. The sales price or value of new or existing homes which are sold or rehabilitated under the SHIP Program may not exceed 90 percent of the median purchase price for either new or existing homes, as applicable for the area where the housing is located. However, the local government at its direction may set the purchase price below the 90 percent benchmark.

For the fiscal periods covered by this Plan, the sales price for any homeownership unit for which SHIP funds were awarded to defray the cost of its construction or rehabilitation by a for-profit or non-profit developer may not exceed \$205,000.

- e. Terms of Payment, Recapture and Default. Include terms of recapture in the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership).

Upon BCC approval of awards, the developer's proposal is reviewed by an independent credit underwriter to perform a subsidy layering review to ensure only the amount necessary to finalize the project is awarded. Upon completion, the developer enters into a contract with the County in which the terms of the contract and scope of services are outlined and finalized. The County maintains the SHIP funds until a SHIP construction loan has closed. The developer must submit formal draw requests as construction work is completed. Internal construction management staff performs site visits to ensure the draw amount is consistent with the work progress.

The rates charged and terms of the capital loans are between 0%-6%. The criteria for Miami Dade County's Loan Terms and Conditions are attached. Final determination of the rate and term will be made by County staff depending on project feasibility. Loans made to not-for-profit developers will be for a period of 24 months. Loans made to for-profit developers will be for a period for 18 months. During the period of construction, all developers will pay interest only. Any unpaid principal and accrued interest will be payable at the end of the loan.

If the developer fails to meet the SHIP rules and requirements, and does not comply with the terms and conditions of the contract, the County will recapture the funds and reallocate them to a different strategy or developer as needed. The loan note defines that the recapture of funds is due immediately at a default interest rate of 18%.

- f. Recipient Selection Criteria:

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Although homeownership applicant's income level may not exceed 120% of the Miami-Dade County area median income adjusted for family size, preference will be given to families with an annual income of 80% of the median or below.

Housing units developed under this strategy will be marketed to eligible households seeking or participating in the County's home buyer programs and through listing in the County's online housing locator system.

Any individual who qualifies for a homeownership rehabilitation mortgage and is eligible under a special needs funding group, is entitled to convert the second mortgage to a forgivable loan.

g. Sponsor Selection Criteria:

Funds are awarded as part of the County's Consolidated Plan Request for Applications (RFA) or other competitive process. All funded allocations are approved by the Board of County Commissioners. A sponsor must be in good standing with Miami-Dade County to be recommended for an award of SHIP funds.

h. Additional Information:

SHIP funds allocated for this strategy will be leveraged with private funds, Community Development Block Grant (CDBG), HOME, other federal funds or local Documentary Surtax Homeownership Assistance Loan Program (HALP).

B. Name of the Strategy: *Homeownership Strategy – Homeowner Assistance Program*

a. Summary of the Strategy:

The Miami-Dade Homeowner Assistance Program will provide funds to very-low, low- and moderate-income persons to acquire newly-constructed or existing affordable homeownership units. All potential homebuyers must be pre-qualified by participating lenders for the affordable housing program. The program also requires potential homebuyers to receive homebuyer counseling and to complete an approved homebuyer education training. The education training will cover such topics as: choosing a realtor, qualifying for a mortgage, inspecting a house, entering a contract for sale, maintaining a home, handling credit affairs and other skills needed for homeownership.

b. Fiscal Years Covered:

FY 2013/2014, FY 2014/2015, FY 2015/2016

c. Income Categories to be served:

Although applicant's income level may not exceed 120% of the Miami-Dade County area median income adjusted for family size, preference will be given to families with an annual income of 80% of the median or below.

d. Maximum award is noted on the Housing Delivery Goals Charts.

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Maximum subsidies are set forth in the Program Policies (**Attachment A**), as may be amended. Furthermore, the sales price or value of new or existing homes which are purchased under this strategy may not exceed the maximum purchase price limit established in accordance with Part I, Section K of Miami-Dade's Local Housing Assistance Plan.

- e. Terms, Recapture and Default. Include terms of recapture in the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership)

All homebuying mortgages provided are in the form of a loan for a term of 30 years in accordance with the Program Policies set forth in **Attachment A**, as may be amended. Interest rates and monthly payments are tiered based on income.

If the family sells, transfers, rents or vacates the property, the balance of the mortgage loan, including accrued interest, will be due upon vacating, selling, renting or transferring of the property. Upon sale, refinance, or transfer of title in any other manner within the thirty-year affordability period, the homeowner must pay to Miami-Dade County the principal amount of the loan, together with a proportionate share of the appreciation in the value of the property.

As set forth in Program Policies found in **Attachment A**, such share shall be determined by applying (1) the percentage which represents the ratio of the original principal amount of the Loan to the original certified appraised value at the time of this security agreement in connection with the purchase of the property (The "Principal to Original Appraised Value Ratio") to (2) the amount if any, by which the appraised value upon refinance or transfer of the Property exceeds such original appraised value. If the Loan is not evidenced by funds but by a benefit conferred by the Lender (Miami-Dade County) or other public agency on the seller of the property, and the homeowner is not in default under this note or the Subordinate Security Instrument, the share of appreciation due to the Lender herein shall be reduced by the sum of (a) the amount of any cash down payment from the borrower's own funds for the purchase of the property, (b) the reasonable and customary costs of sale of the property paid by the homeowner, including any broker's commission, and (c) the value of any documented, permanent improvements to the Property that are in compliance with any applicable requirements established by the Lender.

The SHIP proceeds repaid to the County will be used by the County for other SHIP assistance. In the event that the proceeds from the sale are insufficient to repay the outstanding SHIP subsidy, the County will recapture whatever proceeds are available after the first mortgage from a private lender (if any) has been repaid.

All loans, are assumable. A new buyer, if income eligible, may qualify for and assume the remaining balance of the loan with approval.

- f. Recipient Selection Criteria:

Applicants are assisted on a first-come, first serve basis after the availability of program funds or activity are advertised. Applicants seeking assistance are pre-qualified by first mortgage lenders and then referred by the lender to the County.

g. Sponsor Selection Criteria: N/A

h. Additional Information:

SHIP funds allocated for this strategy will be leveraged with private funds, HOME, other federal funds and/or local Documentary Surtax Homeownership Assistance Loan Program (HALP).

C. Name of the Strategy: *Homeownership Strategy - Owner-Occupied Rehabilitation Loans*

a. Summary of the Strategy:

The Miami-Dade County Housing Development strategy will direct funds toward rehabilitation of owner-occupied existing housing units. Additional SHIP funding may be used for health/safety issues related to disability or barrier-free modification and rehabilitation of properties.

b. Fiscal Years Covered:

FY 2013/2014, FY 2014/2015, FY 2015/2016

c. Income Categories to be served:

Although homeownership applicant's income level may not exceed 120% of the Miami-Dade County area median income adjusted for family size, preference will be given to families with an annual income of 80% of the median or below.

d. Maximum award is noted on the Housing Delivery Goals Charts.

Program guidelines allow loans up to \$35,000, with a cap of \$45,000 for elderly or disabled borrowers. A supplemental loan may be approved by the Director or his/her designee when, during rehabilitation, work items not anticipated or are necessitated by change in local codes or ordinance, are subsequently required and the work exceeds the standard maximum loan amount, however, such supplemental loan shall not exceed \$5,000. However, in extreme, exceptional and hardship cases, this limit may be waived by the Director of the Department of Public Housing and Community Development or his/her designee.

e. Terms, Recapture and Default. Include terms of recapture in the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership).

Rehabilitation Loan Terms for General Population:

Non-elderly, non-disabled income-eligible applicants (meaning owners 61 and younger who have no disabled household members) are offered repayment terms dependent upon total debt to income ratio. Specifically at ratios exceeding 45%, the mortgage term is 20 years with a \$50.00 monthly payment. The remaining principal is forgivable after 20 years. For applicants whose total debt to income ratio is no greater than 45%, a payment is assessed in the form of an amortized loan based on

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the HUD median income using an interest rate of 0 – 6% on a 20-year term (see chart below).

Rehabilitation Loan Terms for Elderly and Disabled:

Elderly population applicants are defined as owners 62 and older who have no disabled household members. Repayment terms are dependent upon total debt to income ratio. Specifically at ratios exceeding 45%, the mortgage term is 20 years with a \$50.00 monthly payment. The remaining principal is forgivable after 20 years. For Elderly applicants whose total debt to income ratio is no greater than 45%, a payment is assessed in the form of an amortized loan based on the HUD median income using an interest rate of 0 – 6% on a 20-year term (see chart below).

Disabled population applicants are defined as anyone in the household is disabled. For all disabled applicants the mortgage term is 20 years. Repayment terms are dependent upon total debt to income ratio. Specifically at ratios exceeding 45%, the mortgage term is 20 years with a \$50.00 monthly payment. For applicants whose total debt to income is no greater than 45%, a payment is assessed in the form of an amortized loan based on the HUD median income using an interest rate of 0-6% on a 20 year term.

The SHIP proceeds repaid to the County will be used by the County for other SHIP assistance. In the event that the proceeds from the sale are insufficient to repay the outstanding SHIP subsidy, the County will recapture whatever proceeds are available after the first mortgage from a private lender (if any) has been repaid.

Interest Rate Chart

	Percent of Area Median Income / Maximum Income Limit* (Effective February 7, 2013 subject to revision by US HUD)								
Household % of Median Income	30%	40%	50%	60%	70%	80%	100%	120%	140%
Interest Rate	0%	1%	2%	3%	4%	5%	6%	6%	6%

f. Recipient Selection Criteria:

The applicants are selected on a first-come, first serve basis, with priority given to elderly and disabled households, and to the extent permitted by law, on a basis that promotes fair housing opportunities based on need after the availability of program funds or activity are advertised.

Exceptions on a case by case are made on the basis of emergency factors (i.e. disability accessibility emergencies or any circumstance that imminently impacts health, safety or sanitation).

g. Sponsor Selection Criteria: N/A

h. Additional Information:

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SHIP funds allocated for this strategy will be leveraged with private funds, CDBG, HOME, other federal funds, or local Documentary Surtax Homeownership Assistance Loan Program (HALP).

D. Name of the Strategy: *Rental Strategies – Housing Development*

a. Summary of the Strategy:

Funds will be provided to defray the costs of land acquisition, new construction, rehabilitation and/or other costs associated with the development or rehabilitation of affordable rental housing units by County departments and for-profit and not-for-profit builders/developers. SHIP awards to for-profit and not-for-profit builders/developers will be made through the County's competitive Consolidated Plan Request For Applications (RFA) or other competitive process.

A one-person household shall be used for an efficiency unit, and for units with separate bedrooms, one and one-half person per bedrooms shall be used. Notice of the competitive process is advertised in three (3) local newspapers thirty (30) days prior to the beginning of the application period.

b. Fiscal Years Covered:

FY 2013/2014, FY 2014/2015, FY 2015/2016

c. Income Categories to be served:

Although applicant's income level may not exceed 120% of the Miami-Dade County area median income adjusted for family size, preference will be given to families with an annual income of 80% of the median or below.

d. Maximum award is noted on the Housing Delivery Goals Charts:

A competitive process will be utilized to select not-for-profit and for-profit builders/developers for participation in the program. A limit restricting the amount of assistance per builder/developer will be established in order to expand the level of participation and diversity of the products.

e. Terms, Recapture and Default. Include terms of recapture in the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership)

Loans for eligible rental housing constructed, rehabilitated, or otherwise assisted from the local housing assistance trust fund must be subject to recapture requirements as provided by the county or eligible municipality in its local housing assistance plan unless reserved for eligible persons for 15 years or the term of assistance, whichever period is longer. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible non-profit organizations for purchase at the current market value for continued occupancy by eligible persons.

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Rental units constructed, rehabilitated or otherwise assisted from the local housing assistance trust fund must be monitored at least annually for 15 years or the term of assistance, whichever is longer, for compliance with tenant income and affordability requirements. In determining the maximum allowable rents, 30 percent of the applicable income category divided by 12 months shall be used based on the number of bedrooms.

Developers may receive SHIP assistance, which may be deferred or in the form of a loan at 0%-6% interest for a term of 30 years. Final determination of rate and term will be made by Department of Public Housing and Community Development staff depending on project feasibility. During the period of construction, no payments will be made. Permanent loans are typically for a period of 30 years.

Tax credit projects may pay 0% interest for the period of compliance depending on credit underwriting. After the compliance period ends, principal and interest payments will begin at up to 6% interest rate for the remainder of the loan term. Non-tax credit projects will be charged principal and interest from 0%-6%. The percentage rate for a non-tax credit project is established by the underwriting company during the underwriting process. If the project does not undergo a third party underwriting process, the percentage rate is established based on the pro forma and cash flow.

Funds are awarded through the Consolidated Plan RFA or other competitive process. Upon Board of County Commissioners' approval of awards, the developer enters into a contract with the County in which the terms of the contract and scope of services are outlined and finalized. The County maintains the SHIP funds until a SHIP construction loan has closed. The developer must submit formal draw requests as construction work is completed. If the developer fails to meet the SHIP rules and requirements, the County will recapture the funds and funds are reallocated to a different strategy or developer as needed.

f. Recipient Selection Criteria:

Housing units developed under this strategy will be marketed to SHIP-eligible households through listing in the County's online housing locator system. Tenants are selected on a first-come, first serve basis and to the extent permitted by law, on a basis that promotes fair housing opportunities.

g. Sponsor Selection Criteria:

A competitive process will be utilized to select not-for-profit and for-profit builders/developers for participation in the program. A limit restricting the amount of assistance per builder/developer will be established in order to expand the level of participation and diversity of the products. A sponsor must be in good standing with Miami-Dade County to be recommended for an award of SHIP funds.

h. Additional Information:

SHIP funds allocated for this strategy will be leveraged with local CDBG, HOME or Documentary Surtax Homeownership Assistance Loan Program (HALP) or the Neighborhood Stabilization Program (NSP)..

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E. Name of the Strategy: *Foreclosure Prevention and Mitigation*

a. Summary of Strategy:

Funds will be provided to assist qualified homeowners with retaining their home and preventing foreclosure action of the first mortgage. Applicants must be delinquent at least two full monthly mortgage payments, in receipt of a letter from the mortgager notifying the applicant of delinquency and/or intent to foreclose.

b. Fiscal Years Covered:

FY 2013/2014, FY 2014/2015, FY 2015/2016

c. Income Categories to be served:

Households with annual income up to 120% of median income are eligible for assistance under this strategy and will be selected on a first come, first eligible, first served basis.

d. Maximum Award per Project:

\$7,500 toward eligible expenses. Eligible expenses include delinquent mortgage payments (principal, interest, taxes and insurance), special assessment fees from condominium and/or neighborhood associations, late fees and other customary fees associated with delivery costs (but excluding brokerage fees).

e. Terms Recapture and Default:

All homeowners receiving assistance will be given a zero interest deferred loan where permissible as the first mortgage. The term of each deferred loan is based as described on the Matrix below:

AMOUNT OF ASSISTANCE	TERM OF FORGIVENESS
\$1 - \$7,500	5 Years

A deferred payment loan shall be satisfied upon completion of the below mentioned terms provided the owner continues to occupy the home as their principal residence. Repayment of the full amount shall become due if any of the following occurs within the deferred loan term:

1. Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
2. Homeowner no longer occupies the unit as their principal residence;
3. Homeowner fails to meet any of the terms of the Office of Community and Economic Development's Subordination Policy.

An heir may assume the debt as long as said heir becomes the owner occupant and meets income guidelines.

f. Recipient Selection Criteria:

- This strategy is designed to assist individuals who have fully amortizing

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conventional mortgages;

- Applicants may receive funding under this program only one time.
- Applicants must attend and complete a budget/credit/debt reduction course through an approved counseling agency,
- Applicant must show their ability to (i) keep the house out of default and (ii) must show they can make monthly mortgage payment. Criteria as follows may be used as listed below:
 - i. Current income analysis
 - ii. Current income analysis; general care of the home; credit history on other payment requirements; other obligations; job history; payment history; income to debt ratio;
 - iii. Other factors that may serve to assist the administration of the program to determine worthiness of the applicant
- Foreclosure prevention applicants must show that the nonpayment of their mortgage is due to the following eligible reasons:
 - i. Loss of employment
 - ii. Sudden medical expenses
 - iii. Divorce or separation
 - iv. Death in a family
 - v. Unforeseen home repair bills

g. Sponsor Selection Criteria:

Eligible sponsors will be selected utilizing the selection criteria as approved by the local government.

h. Additional Information:

SHIP funds allocated for this strategy may be leveraged with federal, state, local, private funds and volunteer labor.

F. Name of the Strategy: *Disaster Response Strategy*

a. Summary of the Strategy:

This is an initially un-funded contingency strategy to be utilized in the event of a declaration by Executive Order, the local authorities, State of Florida and/or federal government of a disaster. In the case of a natural or man-made calamity, priorities must be changed to meet emergency conditions. In an effort to maximize the effect of funds utilized for disaster recovery and mitigation, funds not contractually committed for rehabilitation, construction, design, homeownership purchase or other activity will be redirected to the post-disaster recovery and mitigation effort. In an effort to maximize the effect of funds utilized for disaster recovery and mitigation, Miami-Dade County reserves the right to suspend any waiting lists developed before the occurrence of a disaster and redirect funds to areas of worst damage. This Assistance is provided as gap assistance for any damage that insurance or FEMA does not cover. These funds will be used for the following activities:

- Purchase of emergency supplies to waterproof damaged homes.
- Interim repairs to avoid further damage, such as tree and debris removal

required to make individual housing units habitable.

- Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies.
- Removal of incipient hazards that may damage a structure.
- Relocation costs for displaced households.
- Jumpstart Assistance
 - Rehabilitation loans in absence of insurance for very low-income households or as gap funds if necessary.
 - Downpayment assistance in the form of a second mortgage awarded under current program guidelines to applicants who are able to qualify for a first mortgage to purchase a home pending FEMA buy-out.
 - First mortgage assistance under exceptional circumstances on a case-by-case basis.
- Other activities as proposed by the federal government, counties, and eligible municipalities and approved by the Florida Housing Finance Corporation.

b. Fiscal Years Covered:

FY 2013/2014, FY 2014/2015, FY 2015/2016

c. Income Categories to be served:

Although applicant's income level may not exceed 140% of the Miami-Dade County area median income adjusted for family size, preference will be given to families with an annual income of 90% of the median or below.

d. Maximum award is noted on the Housing Delivery Goals Charts:

Awards will be consistent with FEMA reimbursement guidelines.

e. Terms, Recapture and Default. Include terms of recapture in the event of default (failure to make required payments on a loan secured by a first mortgage which leads to foreclosure and/or loss of property ownership).

A grant may be issued for assistance related to disaster response strategies other than rehabilitation loans. For rehabilitation loans, assistance provided under this strategy will be in the form of either a low-interest or deferred payment loan, consistent with the Owner-Occupied Rehabilitation Loan Program as follows:

Rehabilitation Loan Terms for General Population:

Non-elderly, non-disabled income-eligible applicants (meaning owners 61 and

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younger who have no disabled household members) are offered repayment terms dependent upon total debt to income ratio. Specifically at ratios exceeding 45%, the mortgage term is 20 years with a \$50.00 monthly payment. The remaining principal is forgivable after 20 years. For applicants whose total debt to income ratio is no greater than 45%, a payment is assessed in the form of an amortized loan based on the HUD median income using an interest rate of 0 – 6% on a 20-year term (see chart below).

Rehabilitation Loan Terms for Elderly and Disabled:

Elderly population applicants are defined as owners 62 and older who have no disabled household members. Repayment terms are dependent upon total debt to income ratio. Specifically at ratios exceeding 45%, the mortgage term is 20 years with a \$50.00 monthly payment. The remaining principal is forgivable after 20 years. For Elderly applicants whose total debt to income ratio is no greater than 45%, a payment is assessed in the form of an amortized loan based on the HUD median income using an interest rate of 0 – 6% on a 20-year term (see chart below).

Disabled population applicants are defined as anyone in the household is disabled. For all disabled applicants the mortgage term is 20 years. Repayment terms are dependent upon total debt to income ratio. Specifically at ratios exceeding 45%, the mortgage term is 20 years with a \$50.00 monthly payment. For applicants whose total debt to income is no greater than 45%, a payment is assessed in the form of an amortized loan based on the HUD median income using an interest rate of 0-6% on a 20 year term.

The SHIP proceeds repaid to the County will be used by the County for other SHIP assistance. In the event that the proceeds from the sale are insufficient to repay the outstanding SHIP subsidy, the County will recapture whatever proceeds are available after the first mortgage from a private lender (if any) has been repaid.

Interest Rate Chart

	Percent of Area Median Income / Maximum Income Limit* (Effective February 7, 2013 subject to revision by US HUD)								
Household % of Median Income	30%	40%	50%	60%	70%	80%	100%	120%	140%
Interest Rate	0%		1%	2%	3%	4%	5%	6%	6%

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f. Recipient Selection Criteria:

Eligible recipients will be selected using method(s) that the County may develop to expedite the distribution of disaster response resources during disaster periods.

g. Sponsor Selection Criteria:

Eligible Sponsors will be selected using the County's Consolidated Plan RFA or any other method(s) that the County may develop to expedite the selection of Eligible Sponsors during disaster periods.

h. Additional Information: N/A

III. LHAP INCENTIVE STRATEGIES

The Miami-Dade County Affordable Housing Advisory Board (AHAB) serves as the County's Affordable Housing Advisory Committee as required in Sections 420.9072 and 420.9076 of the Florida Statutes.

A. **Name of the Strategy:** Expedited Permitting

Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.

a. Provide description of the procedures used to implement this strategy:

By Resolution 347-09, the BCC adopted the AHAB's recommendation that the Building Department's informal expedited process for affordable housing be formalized through legislative action. An existing Administrative Order governing permitting review will be amended through BCC adoption that will incorporate expedited permit review for affordable housing development. By direction of the BCC, the expedited review process also will be incorporated into the Department's standard operating procedures.

B. **Name of the Strategy:** 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.

a. Provide description of the procedures used to implement this strategy:

- By Resolution 347-09, the BCC adopted the AHAB's recommendation that an affordable housing cost impact review for legislation that relates to land development and infrastructure in connection with housing development be performed and the BCC be notified of the cost impact at first reading or public hearing, as required.
- Pursuant to Resolution R-347-09, AHAB must review any current and future Comprehensive Development Master Plan (CDMP) amendments or zoning code changes that may impact affordable housing and provide recommendations, as it deems necessary.

C. **Name of the Strategy:** County-Owned Land Identified for Affordable Housing Development

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Maintain an inventory of locally owned public lands suitable for affordable housing development and make such land available to non-profit and for-profit developers to increase affordable housing.

- a. Provide description of the procedures used to implement this strategy:

The County's Department of Public Housing and Community Development and General Services Administration are responsible for development of this inventory as well as tracking and monitoring development on the sites.

By Resolution R347-09, the BCC adopted AHAB's recommendation that AHAB and a second advisory board to the BCC, the Community Affordable Housing Strategies Alliance, be provided a list of these public sites and the status of development on an annual basis in order to monitor and report on the implementation of this strategy.

D. Name of the Strategy: Promote CDMP Affordable Housing Objectives

Promote affordable housing development objectives contained in the Housing Element of the County's Comprehensive Development Master Plan (CDMP)

- a. Provide description of the procedures used to implement this strategy:

Pursuant to Resolution 347.09, this strategy will be implemented by:

Giving preference in County funding processes to affordable housing projects (whether on County-owned land or not) located within transit corridors or designated employment centers.

To the extent possible, giving priority to the development of affordable rental housing on County-owned parcels suitable for multi-family housing development and located within transit corridors or designated employment centers. Units are to be affordable to a mix of household incomes (i.e. ELI, VL, low- and moderate-income households).

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IV. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan. Exhibit A.
- B. Timeline for Encumbrance and Expenditure: *Chapter 67-37.005, F.A.C.*
A separate timeline for each fiscal year covered in this plan is attached as Exhibit B.
Program funds will be encumbered by June 30 one year following the end of the applicable state fiscal year. Program funds will be fully expended within 24 months of the end of the applicable State fiscal year.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan:
Completed HDGC for each fiscal year is attached as Exhibit C.
- D. Certification Page:
Signed Certification is attached as Exhibit D. (to be executed upon approval by the Board)
- E. Adopting Resolution:
Original signed, dated, witnessed or attested adopting resolution is attached as Exhibit E. (to be attached upon approval by the Board)
- F. Program Information Sheet:
Completed program information sheet is attached as Exhibit F.
- G. Ordinance:
If changed from the original ordinance, a copy is attached as Exhibit G - No Change.
- H. Interlocal Agreement:
A copy of the Interlocal Agreement if applicable is attached as Exhibit H - Not Applicable.
- I. BCC Resolution Number R-1324-08 Determination of Price Limits

V. ATTACHMENTS

- A. Program Policies
- B. Miami-Dade County Loan Terms and Conditions

Exhibit A

ADMINISTRATIVE BUDGET FOR EACH FISCAL YEAR

* Estimated at 75% of the FY08-09 Grant as Suggested by FHFC

MIAMI-DADE COUNTY

Exhibit A Admin Budget

<u>Fiscal Year 2010-2011</u>	
Salaries and Benefits	\$640,000.00
Office Supplies and Equipment	\$40,000.00
Travel Perdiem Workshops, etc	\$10,000.00
Advertising	\$8,000.00
	\$698,000.00

<u>Fiscal Year 2011-2012</u>	
Salaries and Benefits	\$672,000.00
Office Supplies and Equipment	\$40,000.00
Travel Perdiem Workshops, etc	\$10,000.00
Advertising	\$8,000.00
Miscellaneous	\$4,000.00
	\$734,000.00

<u>Fiscal Year 2012-2013</u>	
Salaries and Benefits	\$705,600.00
Office Supplies and Equipment	\$40,000.00
Travel Perdiem Workshops, etc	\$10,000.00
Advertising	\$8,000.00
miscellaneous	\$5,043.00
	\$768,643.00

TIMETABLE FOR STATE FISCAL YEAR 2011-2012

Miami-Dade County

Program Activities	Year		2011-2012			2012-2013			2013-2014			2014							
	Month	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Waiting List and OnGoing																			
Advertise Availability of Funds			x																
Application Period(On-Going)			x	x	x	x	x	x	x	x	x	x	x						
Start Program Year																			
Annual Report																			
Mid-Year Review/Adjustments																			
End-Year Review/Adjustments																			
Encumbrance Deadline																			
Expenditure Deadline																			
Final Program Review																			

- Directions: Type in the applicable years across the top line.
 List Program Activities down left hand side. Type in an "X" on applicable activity line under month and year the activity will be initiated or completed.
 At a minimum the following activities should be included:
- 1) Advertise availability of funds and application period
 - 2) Encumbrance of funds (12 months following end of State Fiscal Year)
 - 3) Expenditure of funds (24 months following end of State Fiscal Year).
 - 4) Submit Annual Report to FHFC (September 15th)

FLORIDA HOUSING FINANCE CORPORATION																				Exhibit C - LHAP 2013		
HOUSING DELIVERY GOALS CHART																				Please check applicable box		
STRATEGIES FOR THE LOCAL HOUSING ASSISTANCE PLAN FOR STATE FISCAL YEAR: 2013-2014																				New Plan:		
MIAMI-DADE COUNTY																				Amendment:		
Name of Local Government:																				Fiscal Yr. Closeout:		
																				2016		
Strategy # From Plan Text	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	MI Units	Max. SHIP Award	Estimated Funds:			Total	Percentage	Total	Percentage	Total	Units							
							A New Construction SHIP Dollars	B Rehab/Repair SHIP Dollars	C Without Construction SHIP Dollars							D SHIP Dollars	E SHIP Dollars	F Percentage				
A																						
B	8	\$80,000	9	\$70,000	5	\$60,000								\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	0		
C																					22	
E	8	\$7,500	8	\$7,500	9	\$7,500								\$0.00	0.00%	\$0.00	0.00%	\$185,000.00	4.40%	\$185,000.00	25	
F														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
Subtotal 1 (Home Ownership)	16	\$87,500.00	17	\$77,500.00	14	\$67,500.00								\$0.00	0.00%	\$0.00	0.00%	\$1,755,000.00	65.00%	\$1,755,000.00	47	
RENTAL STRATEGIES																						
Housing Development	28	\$30,000	27	\$30,000	13	\$30,000								\$2,025,000.00	48.16%	\$2,025,000.00	48.16%	\$2,025,000.00	48.16%	\$2,025,000.00	68	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
														\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0	
Subtotal 2 (Non-Home Ownership)	28	\$30,000.00	27	\$30,000.00	13	\$30,000.00								\$0.00	0.00%	\$0.00	0.00%	\$2,025,000.00	48.16%	\$2,025,000.00	68	
Administration Fees														\$270,000.00	6.42%	\$270,000.00	6.42%	\$270,000.00	6.42%	\$270,000.00	68	
Admin. From Program Income														\$72,250.00	1.72%	\$72,250.00	1.72%	\$72,250.00	1.72%	\$72,250.00	68	
Home Ownership Counseling														\$82,750.00	1.97%	\$82,750.00	1.97%	\$82,750.00	1.97%	\$82,750.00	68	
GRAND TOTAL	44		44		27									\$2,025,000.00		\$2,025,000.00		\$4,205,000.00	123.26%	\$4,205,000.00	115	
														Calculate Constr.Rehab Percent. by adding Grand Total Columns A&B, then divide by Annual Allocation Amt.								
Percentage Construction/Rehab																						
Maximum Allowable																						
Purchase Price:																						
Allocation Breakdown																						
Very-Low Income		\$1,261,500.00																				
Low Income		\$1,261,500.00																				
Moderate Income		\$841,000.00																				
TOTAL																						

FLORIDA HOUSING FINANCE CORPORATION												Exhibit C - LHAP 2013	
HOUSING DELIVERY GOALS CHART												Please check applicable box	
STRATEGIES FOR THE LOCAL HOUSING ASSISTANCE PLAN FOR STATE FISCAL YEAR: 2015-2016												New Plan: X	
MIA MI-DADE COUNTY												Amendment:	
Name of Local Government: MIA MI-DADE COUNTY												Fiscal Yr. Closeout: 2018	
Strategy # From Plan Text	A			B			C			E		Total Units	
	VLJ Units	Max. SHIP Award	LI Units	Max. SHIP Award	MI Units	Max. SHIP Award	New Construction SHIP Dollars	Rehab/Repair SHIP Dollars	Without Construction SHIP Dollars	Total SHIP Dollars	Total Percentage		
HOME OWNERSHIP													
STRATEGIES (strategy title must be same as the title used in plan text.)													
New Construction and Rehabilitation for Homeownership													
B Homeowner Assistance Program	8	\$80,000	9	\$70,000	5	\$60,000			\$1,570,000.00	\$1,570,000.00	37.34%	22	
C Owner-Occupied Rehabilitation Loans										\$0.00	0.00%	0	
E Foreclosure Prevention and Mitigation	8	\$7,500	8	\$7,500	9	\$7,500			\$185,000.00	\$185,000.00	4.40%	25	
F Disaster Response									\$0.00	\$0.00	0.00%	0	
									\$0.00	\$0.00	0.00%	0	
									\$0.00	\$0.00	0.00%	0	
Subtotal 1 (Home Ownership)	16	\$87,500.00	17	\$77,500.00	14	\$67,500.00	\$0.00	\$0.00	\$1,755,000.00	\$1,755,000.00	65.00%	47	
RENTAL STRATEGIES													
Housing Development													
	28	\$30,000	27	\$30,000	13	\$30,000	\$2,025,000.00			\$2,025,000.00	48.16%	68	
										\$0.00	0.00%	0	
										\$0.00	0.00%	0	
										\$0.00	0.00%	0	
Subtotal 2 (Non-Home Ownership)	28	\$30,000.00	27	\$30,000.00	13	\$30,000.00	\$2,025,000.00	\$0.00	\$2,025,000.00	\$2,025,000.00	48.16%	68	
Administration Fees									\$270,000.00	\$270,000.00	6.42%		
Admin. From Program Income									\$72,250.00	\$72,250.00	1.72%		
Home Ownership Counseling									\$82,750.00	\$82,750.00	1.97%		
GRAND TOTAL	44		44		27			\$2,025,000.00	\$4,205,000.00	\$4,205,000.00	123.26%	115	
Add Subtotal 1 & 2, plus all Admin. & HO Counseling													
Percentage Construction/Rehab Percent. by adding Grand Total Columns A&B, then divide by Annual Allocation Amt.												0.75	
Maximum Allowable													
Purchase Price:	New			Existing									
	\$205,000			\$205,000									
Allocation Breakdown													
Very-Low Income	Amount											Projected Program Income:	
Low Income	\$1,261,500.00											Projected Recaptured Funds:	
Moderate Income	\$841,000.00											Distribution:	
TOTAL												Total Available Funds:	
												\$4,205,000.00	
												14-May-13	

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Name of Local Government: Miami- Dade County, FL

- (1) The local government will advertise the availability of SHIP funds pursuant to Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, creed, religion, color, age, sex, familial or marital status, handicap, or national origin.
- (3) A process for selection of recipients for funds has been developed.
- (4) The eligible municipality or county has developed a qualification system for applications for awards.
- (5) Recipients of funds will be required to contractually commit to program guidelines.
- (6) The Florida Housing Finance Corporation will be notified promptly if the local government (or interlocal entity) will be unable to comply with the provisions the plan.
- (7) The Local Housing Assistance Plan shall provide for the expenditure of SHIP funds within 24 months following the end of the State fiscal year in which they are received.
- (8) The plan 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 Local Housing Assistance Plan.
- (9) Amendments to the approved Local Housing Assistance Plan shall be provided to the Corporation within 21 days after adoption.
- (10) The trust fund shall be established with a qualified depository for all SHIP funds as well as moneys generated from activities such as interest earned on loans.
- (11) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (12) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements, copies of the audits will be forwarded to the Corporation as soon as available.

Page 2
Certification

Exhibit D

Title: LHAP Template 2009
No. 001
67-37.005(1), F.A.C.
Effective Date: 11/09

- 13) An interlocal entity shall have its local housing assistance trust fund separately audited for each state fiscal year, and the audit forwarded to the Corporation as soon as possible.
- 14) SHIP funds will not be pledged for debt service on bonds or as rent subsidies.
- 15) 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.
- 16) 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 service eligible persons.
- 17) Rental Units constructed or rehabilitated with SHIP funds shall be monitored at least annually for 15 years for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e)
- 18) The Plan meets the requirements of Section 420-907-9079 FS, and Rule Chapter 67-37 FAC, and how each of those requirements shall be met.
- 19) The provisions of Chapter 83-220, Laws of Florida *has or* X *has not* been implemented. (note: Miami Dade County will check "has")

Witness

Chief Elected Official or designee

Witness
County

Carlos A. Gimenez, Mayor, Miami-Dade

Date

OR

Attest:

(Seal)

**STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM
INFORMATION SHEET**

LOCAL GOVERNMENT: Miami-Dade County, FL

CHIEF ELECTED OFFICIAL (Mayor, Chairman, etc.): Carlos A. Gimenez,

Mayor **ADDRESS:** 111 NW 1st Street, 29th Floor Miami, FL
 33128

SHIP ADMINISTRATOR: Julie Edwards

ADDRESS: 701 NW 1st Court, 14th Floor

 Public Housing and Community Development Department
 Miami, FL 33136-3924

TELEPHONE:(786) 469-2255 **FAX:**()

EMAIL ADDRESS: JBS@miamidade.gov

ADDITIONAL SHIP CONTACTS: Rossi Siewnarine, Grants Compliance
 Specialist

 Public Housing and Community Development Department

 SAME AS ABOVE

EMAIL ADDRESS: RSIEWNA@miamidade.gov

INTERLOCAL AGREEMENT: YES/NO (IF yes, list other participants in the inter-local agreement):

 NONE

The following information must be furnished to the Corporation before any funds can be disbursed.

LOCAL GOVERNMENT EMPLOYER FEDERAL ID NUMBER: 59-6000-573

MAIL DISBURSEMENT TO:

ADDRESS:

OR:IF YOUR FUNDS ARE ELECTRONICALLY TRANSFERRED PLEASE COMPLETE THE ATTACHED FORM:

NO CHANGE FROM PREVIOUS ELECTRONIC FORM SUBMITTED.

Provide any additional updates the Corporation should be aware of in the space below:

Please return this form to:

SHIP PROGRAM MANAGER, FHFC 227 N. BRONOUGH ST, STE 5000 TALLAHASSEE, FL 32301

Fax: (850)488-9809

**OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA**

Memorandum



Date: December 2, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Setting of the Maximum Sales Price for Homes Sold under the County's Affordable Housing Development Programs.

Amended

Agenda Item No. 8(K)(1)(A)

Resolution No. R-1324-08

This item was amended at the December 2, 2008 meeting of the Board of County Commissioners to reflect that the maximum monthly payment cannot exceed 45 percent, rather than 40 percent, of the borrower's gross monthly income.

RECOMMENDATION

It is recommended that the Board of County Commissioners ("Board") approve the attached resolution which authorizes a change in policy to set a maximum sales price for homes sold under the County's affordable housing development programs or purchased with the assistance of the County's Homebuyer Mortgage Assistance Program. Under such policy, the maximum purchase price would be \$205,000; however, the maximum sales price would be capped at \$175,000 under the Infill Program in cases where the County provided the infill lot to the developer without cost. Otherwise, the \$205,000 maximum sales price would apply.

Staff will review the maximum purchase price every two years and recommend changes to the Board if necessary. The maximum purchase price will be applied prospectively once the attached resolution becomes effective.

SCOPE

The applicability of the new maximum sales price is applicable to all homeownership units in Miami-Dade County where County funds have been used for construction subsidy or for homeownership mortgage assistance.

FISCAL IMPACT

The setting of a new maximum sales price, which is lower than the existing cap, will have no fiscal impact to the County.

BACKGROUND

Through the Infill Program and the Affordable Housing Development Program, the County subsidizes the construction of affordable housing units and also provides soft second mortgages to assist moderate- and low-income households purchase homes.

At the April 24, 2007 meeting of the Board, a policy was adopted to set the maximum sales price formula for potential homeowners seeking mortgage assistance from the County. Under this policy, the maximum price was tied to a price limit formula based on federally published median sales prices for Miami Dade County, which was well over \$350,000 in July 2007. However, that policy did not remove the existing \$225,000 cap on units where construction subsidy was to be provided.

Staff has reconsidered setting the maximum price based on the median sales prices because housing prices have become volatile and inconsistent, and recommend utilizing a formula which considers the average median income for metropolitan Miami-Dade county. In addition to average median income, two additional factors apply in setting a new maximum sales price under the County's affordable housing programs:

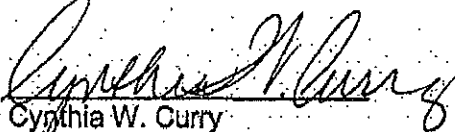
- The maximum monthly payment, meaning the house payment (mortgage, insurance and taxes), plus all outstanding debts (installment loans, revolving credit cards, and child care expenses, etc.) cannot exceed 45 percent of the borrower's gross monthly income. Furthermore, no more than 29 percent of the borrower's monthly income can go towards the direct payment of the principal and interest. This factor will ensure that a participating household does not purchase a home beyond its means.
- The last factor is the maximum amount of subsidy available. Soft second mortgage assistance is subject to policy set forth in the County's Local Housing Assistance Plan as adopted by the BCC and submitted to the State of Florida. Attachment A sets forth the maximum amount of mortgage subsidy available based on household percent of area median income.

Using the 120 percent average median income for a family of four as the standard test for the formula, a 40 percent overall debt ratio (including no more than 29 percent for mortgage principal and interest payments), a first mortgage interest rate of 6.75 percent, and the highest subsidy allowed by the County, the sales price maximizes to approximately \$205,000 (see attachment). Anything higher would yield too great a risk to the homebuyer and the County.

Staff recommends that the maximum sales price for any homeownership unit constructed with County funds or purchased through County funded spot loans as soft second mortgages be capped under the Homebuyer Mortgage Assistance Program. Thus, the \$205,000 maximum sales price would apply to homeownership mortgage assistance and any construction lending applied towards the purchase or development of these homes. In the case of the Infill Program, staff recommends that the maximum sales price be capped at \$175,000 in cases where the County provided the infill lot to the developer without cost.

At the October 2, 2008 meeting of the Community Affordable Housing Strategies Alliance (CAHSA) Advisory Board, the \$205,000 purchase price cap was discussed and a motion to approve same and forward to the Board of County Commissioners was seconded and approved. The CAHSA Advisory Board further asked staff to continue its review as to whether there is a need for a subsidy increase for very large families and to come back upon completion of its review. Should a recommendation result in either approving a larger subsidy level or an exception to the purchase price, a recommendation from CAHSA will be forwarded to the Board.

Attachment


Cynthia W. Curry
Senior Advisor to the County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: December 2, 2008

FROM: *RAC*
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Amended
Agenda Item No. 8(K)(1)(A)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Mayor's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 8(K)(1)(A)
12-2-08

RESOLUTION NO. R-1324-08

RESOLUTION SETTING THE POLICY TO ESTABLISH THE
MAXIMUM SALES PRICE FOR THE HOMEOWNERSHIP
SECOND MORTGAGE PROGRAM AND HOMEOWNERSHIP
UNITS DEVELOPED UNDER THE INFILL AND HOUSING
DEVELOPMENT PROGRAMS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board authorizes the policy of establishing a maximum sales price based on medium income for the County's affordable housing development programs or the homebuyer mortgage assistance program. It is further authorized the maximum sales price be capped at \$205,000 for all homes sold under the Housing Development programs and \$175,000 in cases where the County has provided the infill lot to the developer without cost, otherwise, \$205,000 will serve as the maximum sales price under the Infill Program.

The foregoing resolution was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Joe A. Martinez** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	aye		
Barbara J. Jordan, Vice-Chairwoman	aye		
Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	aye	Dennis C. Moss	aye
Dorrin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of December, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: Kay Sullivan
Deputy Clerk



Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in black ink, appearing to read "SD", is written over a horizontal line.

Shannon D. Summerset

Calculation for Setting Maximum Sales Price

Financial Background of Applicant

A	Annual Income	\$70,000.00	Average income of 4-member family earning 120 percent of AMI
B	Monthly Income	\$5,833.33	Average income divided by 12 months
C	Front Ratio (Mortgage payment cannot exceed 29% of monthly income)	\$1,691.67	Mortgage payment amount should not exceed (29% of monthly income)
D	Taxes and Insurance	\$600.52	Taxes and insurance estimated on home with value of \$205,000
E	Mortgage Payment less taxes and insurance	\$1,091.15	Front Ratio minus Taxes and Insurance (C - D = E)
F	Maximum Mortgage Loan (First Lender)	\$168,202.94	Value of \$1,091.15 monthly mortgage payment with a fixed 6.75 percent interest rate amortized over 30 years
G	County Subsidy Level (Second Mortgage)	\$30,000.00	BCC approved subsidy level based on AMI
H	Total Mortgage Amount	\$198,202.94	(F + G = H)
I	Down Payment Requirement of Three Percent on Home Value	\$6,150.00	Based on three percent of \$205,000
J	Maximum Purchase Price of Home	\$204,352.94	(H + I = J)

**MIAMI-DADE COUNTY
AFFORDABLE HOUSING AND HOMEOWNERSHIP/SINGLE FAMILY
REHABILITATION PROGRAM GUIDELINES**

INTRODUCTION

Miami-Dade County implements a wide range of housing programs designed to enhance housing opportunities for low and moderate-income, individuals and families who are legal residents of Miami-Dade County (the "County"). Pursuant to these Affordable Housing and Homeownership Program Guidelines, assistance may be provided to developers, community development corporations, individuals and families in an array of programs encompassing acquisition, construction, rehabilitation, reconstruction and permanent financing in the form of soft second mortgages. Homeownership counseling is a component of all the homeowner programs. The following is a list of programs offered:

A. HOUSING DEVELOPMENT ASSISTANCE

The Housing Development Assistance component provides funding to defray the costs of new construction, rehabilitation and/or other costs associated with the development of single-family homeownership and affordable rental housing units. This component is intended to increase housing opportunities for very-low, low and moderate-income persons by encouraging the creation and rehabilitation of affordable housing units.

ACTIVITY
New Construction Single-Family Homeownership
Rehabilitation of Single-Family Homeownership

B. HOUSING REHABILITATION

Miami-Dade County provides low interest loans to single-family homeowners to assist them in making necessary repairs to their home. The house must be owner-occupied as the homeowner's primary place of residence. (See Single Family Rehabilitation section for more details).

C. HOME BUYER EDUCATION AND COUNSELING

The Home Buyer Education and Counseling component provides education and counseling to eligible persons regarding purchasing and financing of single-family affordable housing units. Homebuyer counseling is a requirement for homeownership assistance. Borrowers, their spouse and a 3rd borrower, if applicable, must attend a counseling course and provide proof of attendance in the form of a certificate.

D. HOMEOWNERSHIP ASSISTANCE

The Homeownership Assistance component provides funds to very-low, low and moderate-income families to acquire newly-constructed and existing housing units in Miami-Dade County.

ACTIVITY
Single-Family Acquisition (<i>new or existing construction</i>)
Section 8 Housing Choice Voucher (<i>new or existing</i>)

ELIGIBLE APPLICANTS

"Families" is defined as: single individuals or two (2) or more persons related by blood, marriage, adoption, guardianship or operation of law; or who are not so related; and may include one (1) or more individuals (who have not attained the age of 18) being domiciled with a parent or another person having legal custody of such individual. Where not restricted by federal, state or other funding regulations, designee of such parent or the person having such custody, with the written permission of such parent or other persons who occupied the same unit, may also be considered.

The various housing programs are not limited to first time home buyers as defined under the First Time Homebuyers Requirements (collectively the "Homeownership Programs"), however, applicants shall not have an interest in another real estate property at the time of application, and the proceeds from previous home ownership may be considered under "Asset Limitations" section.

Program participation will be limited to a one time only occurrence per family.

Applicants must be residents of Miami-Dade County at the time of application, with the exception of NSP.

INCOME RANGE OF APPLICANTS TO BE SERVED

The applicant's total household income may range from very-low to moderate-income depending on the funding source being invested in the property. Applicant's total household income must meet the income criteria at the time the applicant applies for mortgage assistance. (See Attachment I for current income limits).

Please be aware that the qualifying household income has to meet the guidelines of the more stringent subsidy program being used by the borrower. For example, if the borrower is using a first lender mortgage product with HOME funds, the borrower must meet the income based on the HOME limits since these are the most stringent. Income must also be calculated based on the information provided in the VOE. Income calculated for subsidy purposes will be different from income used for credit purposes by the lender. The Financial Advisor will use the subsidy income to qualify the individual for the appropriate subsidy amount and then use the credit income to determine the total debt to income ratio. Bank ratios can be based on qualifying income for the first mortgage loan approval rather than the income for the subsidy.

Funding Source	Surtax	HOME/CDBG	SHIP	NSP
Maximum applicant income limits as a percentage of the area median income ("AMI")	140%	80%	120%	120%

Note: Funding source income limits may be further restricted by program guidelines.

Subject to availability of funds, the following allocations will be applied:

Surtax: Approximately seventy-five percent (75%) of the total program must benefit families whose incomes do not exceed eighty percent (80%) of AMI.

HOME/CDBG: The total program must benefit families whose incomes do not exceed eighty percent (80%) of AMI.

SHIP: Approximately seventy-five percent (75%) of the total program must benefit families whose incomes do not exceed eight percent (80%) of AMI. At least thirty percent (30%) of all SHIP funds must be utilized to assist very low-income families (at or below 50% AMI). Approximately twenty-five percent (25%) of the total program may benefit families whose income is above eighty percent (80%) but no more than one hundred-twenty percent (120%) of AMI.

HOMEOWNERSHIP LOAN RATIOS

Loans to applicants allow for the following ratios:			
Funding Source:	Surtax	HOME/CDBG	NSP/SHIP
Monthly total obligations-to-income	max. 45%	max. 45%	max. 45%

No exceptions to these limits will be granted. All loan files must be underwritten for credit worthiness using Fannie Mae, GNMA, FHA, and Freddie Mac underwriting standards. **In addition, the lender must use the Tax Estimator from the Miami-Dade County Property Appraiser website to estimate the taxes and calculate the insurance at 2% of the purchase price if a quote cannot be obtained prior to submitting the loan package.**

IMMIGRATION STATUS

For Surtax loans, proof of US permanent resident status or US Citizenship, and or other related documentation (including special status such as NACARA, Cuban Adjustment Act and political asylum) must be current as of the date of application for assistance from the County.

For NSP, HOME, CDBG and SHIP, the borrowers must be permanent residents or citizens.

Applicants for any of the programs and/or activities mentioned herein are subject to immigration regulations and eligibility as determined by the United States Department of Housing and Urban Development ("USHUD") and/or Miami-Dade County regulations. Benefits may be prorated based on the income of legal aliens in a household.

HOMEOWNERSHIP APPLICATION PROCEDURES

LOAN PROCESSING FOR DEVELOPER LOANS

Developers must perform a pre-screening of their borrowers to ensure that they have documentation required by the program before making an appointment to meet with a Finance Advisor. The developer will provide the checklist of documents to their borrowers (Attachment II). After the developer has pre-screened the borrower, he/she will instruct the borrower to contact the OCED to set an appointment for an interview with the Finance Advisor assigned to the development. Borrowers that have not been pre-screened by the developer will not be given an appointment.

The borrower must bring all documents requested including the signed sales contract, to the interview for review to determine eligibility for the subsidy. During the interview process, the borrower will be required to sign all disclosure forms for the program & will be given a conditional commitment prequalification letter which they will take to the first mortgage lender.

The Finance Advisors will begin processing the loan during the time the borrower is applying for their first mortgage financing. Any documentation needed to process the file will be requested directly from the borrower. When the first mortgage lender has approved the file, they must submit to the finance advisor the following documents:

- a. Form 1003 signed and dated
- b. Form 1008 signed
- c. Escrow Letter and proof of deposit
- d. Bank Commitment Letter
- e. Truth in Lending
- f. Good Faith Estimate
- g. Appraisal
- h. Current Credit report

When the file is approved by the Finance Advisor a firm commitment letter will be issued and the borrowers will be required to sign the commitment letter before the loan is sent to closing.

NOTE: Due to the limited availability of funds, all cancelled reservations will cause the funds to be released and made available for interested borrowers on a first come first served basis. The OCED will not accept a replacement applicant from the developer that made the cancellation in place of the borrower that was cancelled.

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FIRST TIME HOMEBUYER REQUIREMENTS

With the exception of NSP, the eligible household must be a first-time homebuyer. A first-time homebuyer is an individual who meets any of the following criteria:

- 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 with a former spouse while married.
- 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.

Definition of Family

Family Definition. The term "family" as defined at §570.3(m), means all persons living in the same household who are related by birth, marriage, or adoption. When such persons occupy the same housing unit they are considered as members of the family. Their incomes are to be aggregated for calculating family income.

**Surtax/HOME/SHIP/CDBG/NSP
(Income Inclusions and Exclusions for Eligibility Purposes)**

Annual Income Inclusions	Annual Income Exclusions
<p>Annual income inclusions defined under USHUD 24 C.F.R. Section 5.609(b) are listed as follows:</p> <ul style="list-style-type: none"> ↪ The gross amount (before any payroll deductions) of wages, salaries, overtime pay, commissions, fees, tips and bonuses, and any other compensation for personal services received by all eligible household members; ↪ the net income from the operation of a business or profession; ↪ interest, dividends, and other net income of any kind from real or personal property; ↪ the full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits; ↪ payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; ↪ welfare or other need-based payments to families or individuals that are made under programs funded separately, or jointly by federal, state or local governments; ↪ periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; ↪ all regular pay, special pay and allowances of a member of the Armed Forces; and ↪ SSI income may be subject to federal restrictions which may limit its use. ↪ Note: Surtax allows for income averaging for the past two years for applicants that are self-employed, or earn commission, tips, bonuses, and overtime. 	<p>The most common types of excluded annual income include:</p> <ul style="list-style-type: none"> ↪ Income from employment of children (including foster children) under the age of eighteen (18) years; ↪ payments received for the care of foster children or adults; ↪ lump-sum additions to family assets, such as inheritances, insurance payments; ↪ reimbursement for the cost of medical expenses for any family member; ↪ income of a live-in aid; ↪ the full amount of student financial assistance paid directly to the student or to the educational institution; ↪ the special pay to a family member serving in the Armed Forces who is exposed to hostile fire; ↪ income from training programs funded by HUD; ↪ temporary, nonrecurring or sporadic income (including gifts); ↪ reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; ↪ income from earnings in excess of \$480 for each full-time student eighteen (18) years or older (excluding the head of household and spouse); ↪ adoption assistance payments in excess of \$480 per adopted child; ↪ deferred payments received in a lump sum; ↪ refunds or rebates for property taxes paid on the dwelling unit; or ↪ services and equipment needed to keep a developmentally disabled family member at home.

INCOME INCLUSIONS FOR CREDIT PURPOSES		
Credit Documentation		
Surtax	HOME/CDBG	SHIP/NSP
Two (2) most recent Paystubs containing YTD information; if unsatisfactory or unable to provide will require Verification Of Employment (valid for 6 months)	Verification of employment (valid for 6 months).	Verification of employment (valid for 90 days from the date received. If the information is orally updated by the source, the VOE will remain in effect for an additional 30 days). Third Party Verification of Employment is required by SHIP, (attachment III)
Tax returns and W-2 for the previous two (2) years or IRS form 1722 (which gives the applicant's income and filing status may be requested). Returns must be signed & dated by borrower.	Same as Surtax.	Same as Surtax.
If self-employed, profit and loss statement as of the date of application.	Same as Surtax	Same as Surtax
Six (6) months of bank statements or bank's computer printout reflecting a balance for each month.	Same as Surtax	Same as Surtax
Tri-merged credit report (valid for 4 months)	Same as Surtax	Same as Surtax
Verification of Assets – Retirement Account	Same as Surtax	Same as Surtax

ELIGIBILITY VERIFICATION (Surtax, HOME, SHIP, NSP)
<p>Household occupants shall be verified by using any one (1) or more of the following items:</p> <p>Birth certificates and Social Security Cards on all household occupants. (no birth cards)</p> <p>School records which give dependents' residing address.</p> <p>Court-ordered, letters of guardianship/adoption.</p> <p>Copy of divorce decree and property settlement agreement.</p> <p>Joint custody: the children live with parent for fifty percent (50%) of the year; the children should be included among the members in a household.</p> <p>In cases where the applicant claims to be separated, must provide the following additional documentation for the spouse that will not occupy the property: IRS tax return; driver's license; voter's registration card; separation agreement; utility bills.</p> <p>For SHIP/Surtax/HOME/CDBG/NSP loans:</p> <ol style="list-style-type: none"> 1. A Third Party Verification of Regular Cash Contribution Letter must be submitted for non-court ordered child support. 2. If the applicant is receiving or not receiving court-ordered child support, a letter from the Department of Revenue, Child Support Enforcement Office is required.

ELIGIBLE PROPERTIES

Detached single-family units, condominium units, approved manufactured homes, studios, twin homes and town homes. Eligible properties to be acquired under the Homeownership Programs may be owner-occupied or vacant. Above Ground and In-ground Swimming Pools on a case by case basis except for HOME, SHIP & CDBG funding. For HOME loans only, ineligible properties are those properties leased to a tenant which would trigger a relocation of that tenant.

NSP- properties must be single family residences foreclosed and owned by a lender or investor. Must be located in a priority area and documented as such in the loan file. Program does not require that applicants be First Time Home Buyers.

MAXIMUM SECOND MORTGAGE AMOUNTS - LOW TO MODERATE-INCOME INDIVIDUAL AND FAMILIES

This information is contained in Attachment I.

NSP Second Mortgage Amounts

- 51%-80% AMI \$70,000
- 81%-100% AMI \$60,000
- 101%-120% AMI \$50,000

*Note that the minimum AMI for NSP is 51%

PURCHASE PRICE (See Attachment I)

The maximum purchase price of eligible properties is as follows:

All programs and funding sources \$205,000

CREDIT REQUIREMENTS

Our programs do not have a minimum credit score requirement or threshold. If the credit is acceptable to the first mortgage lender, we will generally accept their review of the credit report. We do however reserve the right to ask for explanations of any derogatory items contained in the credit report. In situations whereby a collection appears on the credit report, whether or not those collections require repayment prior to the loan closing is left to the discretion of the primary lender unless the collection is being made on behalf of a county program or agency, including a county medical collection. All collections on behalf of the county must be paid off prior to closing.

NSP requires a 24 month satisfactory credit history.

DOWN PAYMENT REQUIREMENTS

Down payment requirements are as follows:

- There is a minimum down payment requirement of 3%. One percent (1%) must be from the borrowers own funds.
- The down payment required by USHUD for Section 8 Homeownership Demonstration Program is three percent (3%) of the purchase price, of which one percent (1%) of the purchase price **must be** from the borrower's own funds.
- The minimum down payment for the Infill Housing Initiative is 1% of the purchase price from the borrower's own funds.
- A minimum investment of 1% must be documented to come from the borrower's funds. Items paid outside of closing (POC) may be counted towards the down payment requirement provided that there is proof that the payment was made, and are able to verify the money came from the borrowers own funds.

DOWN PAYMENT AND/OR CLOSING COSTS ASSISTANCE

The combined loan to value ratio ("CLTV") of all mortgages including closing cost assistance shall not exceed one hundred-five percent (105%) of the purchase price.

All developers and community development corporations ("CDCs") awarded funding **are required** to pay the following closing costs for the borrowers:

- Abstracting costs.
- Owner's and Lender's Title Insurance.
- Cost of the Boundary Survey.
- Documentary Stamps on the Warranty Deed.

In addition, developers and CDCs shall also pay any agreed to additional costs.

GIFTS

A borrower can satisfy part of the cash requirement for closing with funds received as gifts from relatives, or cash savings clubs. For underwriting purposes, a "relative" is a spouse, parent, stepparent, legal guardian, grandparent, brother, sister, or child. In general, before using funds from gifts, a borrower needs to use his or her own funds to make a down payment toward the sales price of a property.

To verify a gift, a borrower must obtain a signed letter from the donor that includes:

- The specific dollar amount of the gift and the date the funds were transferred;
- the donor's name, address, telephone number, and relationship to the borrower; and
- a statement from the donor saying that no repayment is expected.

In cases where the gift funds have already been transferred, staff must verify that sufficient funds to cover the gift have been transferred from the donor's account to the borrower's account or that the donor's account has adequate funds to cover the amount of the gift.

OCCUPANCY REQUIREMENT/OWNERSHIP

The applicant must use the property as the primary residence which will be reflected by a deed restriction or declaration of use restrictions covenant and will be stated in the loan documents. Ownership must be in fee simple title. In cases of a ninety-nine (99) year leasehold interest, the remaining lease term must equal the term of the loan.

INCOME QUALIFICATION

For Subsidy purposes, annual income is the gross amount of income anticipated to be received by all adults in a family during the twelve (12) months following the effective date of the income determination.

When calculating income, please note that SHIP, NSP, and HOME/CDBG funding require that the anticipated income be based on present income plus any income to be received in the next twelve (12) months. Once the income certification is completed by county staff, and executed by the SHIP administrator or designee, an award letter/commitment letter is issued. The commitment letter is valid for six (6) months. Surtax allows for income averaging for the past two (2) years for applicants that are self-employed; earn commission, tips, bonuses, and overtime.

Florida property laws do not legally recognize separation as it relates to property ownership. Consequently, when an applicant is legally married but does not currently reside with the spouse, the estranged spouse **must sign** the mortgage and the subsidy recapture provision, and his or her income must be counted as part of the annual household income. This always applies in cases of temporary

separation when a spouse does not live in the house due to military service, attendance in college, offshore work, or other instances where a family member is temporarily residing in another location.

In some situations, it seems clear that the applicant has no plan to reunite with the estranged spouse and the separation is permanent. The flexible nature of these programs is intended for local governments to determine the use of funds while ensuring *accountability*, to make a decision about a permanent separation and to obtain as many details as possible to document the subsidy recipient. In cases of permanent separation, the applicant and the estranged spouse maintain separate residences and file separate tax returns. The applicant must provide proof of separation by providing copies of the estranged spouse's IRS tax returns, driver's license, legal separation agreement, utility bills, etc. The estranged spouse does not need to be counted in the household size and his or her income should not be included in household income.

QUALIFYING USING A SECTION 8 VOUCHER

If an applicant is purchasing using a Section 8 Housing Choice voucher, the Housing Assistance Payment ("HAP") (i) may not be added to the applicant's annual income to determine the maximum first mortgage amount, or (ii) the HAP may be deducted from the principal and interest of the first and/or second mortgage, whichever provides the greatest benefit to the homebuyer. The HAP is the difference between the voucher amount and the applicant's portion of the rent.

PLEASE NOTE that this amount is subject to change, because it will be based on the property to be purchased. The revised amount must be approved and authorized by the Private Rental Housing Division. Consequently, it is recommended that all clients obtain lender pre-approval prior to contract execution.

INCOME VERIFICATION

Applicant's income will be verified using one or more of the following documents:

- Last two (2) pay stubs from employer and past two (2) years of complete tax returns (all schedules).
- Tax returns must be signed by the applicant(s)
- If self-employed, past two (2) years of tax returns will be required, and a current profit or loss statement
- Verification of employment, FNMA form or third party form included in these guidelines are acceptable, provided that the form is filled out completely.
- Other sources of income that can be readily verified i.e., social security, pension retirement, and child support.
- SSI income may be subject to federal restrictions, which may limit its use.
- Interest, dividends, and other net income.
- Any other form of verification as required by funding.
- Cash Contribution Letter for non-court ordered child support.
- A Letter from the Child Support Enforcement Division whether child support is being received or not.

In addition to Federal Income Tax Returns the number of household occupants shall be verified using any one (1) of the following items:

- Birth certificates and Social Security Cards on all household occupants. (no birth cards).
- School records which give the parents' name and address.

- Court-ordered letters of guardianship/adoption.
- Copy of final divorce decree and property settlement agreement.

If a dependent is listed on the tax return, then copies of birth certificates will be sufficient. However, if a copy of the birth certificate is in the file and the dependent is not listed on the tax return, then we may request copies of school records to verify that the individual resides on the property.

INCOME RECERTIFICATION

Annual income recertification is required of all homebuyers who purchase property using the Section 8 Housing Choice voucher.

EVIDENCE OF CLEAR TITLE

Title insurance will be required.

ASSET LIMITATIONS

Total assets (*excluding pensions, annuities, 401K and the like*) of an eligible family applying for a maximum second mortgage will be limited to \$10,000. Any excess assets must be used for a higher down payment or to cover closing costs. This asset limitation does not apply to retired persons over the age of 62 or permanently disabled persons.

For HOME/CDBG and SHIP only, borrowers who have assets in excess of \$5,000 must include in the income calculation the greater of (i) the actual income earned on those assets, or (ii) the income calculated using the current LIBOR rate as set by HUD.

FIRST MORTGAGE FINANCING

First mortgage financing must be in compliance with Miami-Dade County's lending guidelines. Miami-Dade County will not approve second mortgage financing for loans whose first mortgage either requires a balloon payment, has an adjustable rate, carries an unusually high interest rate, or includes prepaid finance charges.

DEVELOPER BUYDOWNS ARE PERMITTED AS LONG AS THE BUYDOWN IS NOT RECORDED AS A LIEN AGAINST THE PROPERTY, AND THERE IS A RESTRICTIVE COVENANT THAT HAS BEEN REVIEWED AND APPROVED BY THE COUNTY.

MONTHLY PAYMENTS

The monthly payments on the SHIP/Surtax/ & NSP loans will be as follows:

Income Level	Interest Rate	Years 1 to 5	Years 6 to 10	Years 11 to 30
Low Income	0-3%	\$25 Payment This is applied towards interest additional interest is forgiven. No balance reduction	\$50 Payment Half of payment applied to balance remaining interest forgiven	Fully Amortized Remaining balance amortized over the 20 years at note rate
Moderate Income	4-6%	\$50 Payment This is applied towards interest additional interest is forgiven. No balance reduction	\$100 Payment Half of payment credited towards balance. Remaining interest is forgiven	Fully Amortized Remaining balance amortized over the 20 years at note rate

Calculation Example:

Moderate Income Family

\$50,000 @ 4%

Years 1-5

Balance: \$50,000

Payment \$50.00 per month

Years 6-10

Balance: \$ 50,000 (No change in balance)

New Payment: \$100.00

Years 11-30

Balance: \$47,000 (Balance- 50% of Payments made in years 6-10)

New Payment: \$284.81

INSPECTION

A Hold Harmless Affidavit will be required to be signed by the borrower(s) at time of application which states the County is not be responsible for code violations, open permits, or illegal structures or additions which the seller is not willing to correct. It is recommended that all borrower(s) obtain a five (5) point inspection on the property to be purchased. A copy of this inspection should be obtained by the bank for the file.

For HOME/SHIP/Surtax/CDBG & NSP loans, a Housing Quality Standards ("HQS") inspection will be required if the property is a condo conversion with rehabilitation. In addition, if the property was constructed prior to 1978, a lead based paint inspection will be required prior to closing, and the report must show a negative outcome for lead paint. If the property is new construction (not rehabilitation), then an HQS inspection is not required. The HQS inspection from Section 8 will be acceptable as long as it is not completed more than 90 days at the time of approval.

NSP also requires environmental review, or a categorical exemption in each loan file.

Loans cannot close with Temporary Certificate of Occupation or Certificate of Completion.

SERVICING OF HOMEOWNERSHIP LOANS

All homeownership loans will be serviced by the OCED serving loan servicing unit or a Miami-Dade County approved private firm specializing in mortgage loan servicing. All costs associated with the servicing of homeownership loans shall be paid out of the loan program operating budget. The minimum payment and any others payments required herein can be waived by OCED for up to one (1) year in hardship situations.

If the family sells, transfers, rents or vacates the property, the balance of the mortgage loan, including accrued interest, will be due upon vacating, selling, renting or transferring of the property. All loans, are assumable. A new buyer, if income eligible, may qualify for and assume the remaining balance of the loan with approval.

All homes purchased using financing must be used and occupied as the family's primary residence. The property may not be rented, leased, or otherwise used as an income or investment property at any time that the loan remains in effect. If at any time it is discovered that the property has been rented or leased, the County may accelerate the remaining balance due on the loan and demand immediate payment in full.

Upon sale, refinance, or transfer of title in any other manner within the affordability period, the homeowner will pay to Miami-Dade County the Principal amount of the Loan, together with a share of the appreciation in the value of the property. Such share shall be determined by applying (1) the percentage which represents the ratio of the original principal amount of the Loan to the original certified appraised

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value at the time of this security agreement in connection with the purchase of the property (The "Principal to Original Appraised Value Ratio") to (2) the amount if any, by which the appraised value upon refinance or transfer of the Property exceeds such original appraised value. If the Loan is not evidenced by funds but by a benefit conferred by the Lender (Miami-Dade County) or other public agency on the seller of the property, and the homeowner is not in default under this note or the Subordinate Security Instrument, the share of appreciation due to the Lender herein shall be reduced by the sum of (a) the amount of any cash down payment from the borrower's own funds for the purchase of the property, (b) the reasonable and customary costs of sale of the property paid by the homeowner, including any broker's commission, and (c) the value of any documented, permanent improvements to the Property that are in compliance with any applicable requirements established by the Lender. For the purposes hereof the affordability period is (See table below) and the original certified appraised value at the time of this security agreement is (enter appraised value at closing)

Please refer to the NSP Restrictive Covenant for details.

SHIP	For 30 years or until the property is sold, transferred, leased or otherwise disposed of.
Surtax	For 30 years or until the property is sold, transferred, leased or otherwise disposed of.
HOME/CDBG	< \$15,000 = 5 years \$15,000 to \$40,000 = 10 years >\$40,000 = 15 years

LOAN FINANCING

After a loan has been processed, approved and a firm commitment letter issued by the Agency and to expedite the loan closing, the lender may exercise the option of funding the transaction at closing and then receiving reimbursement from the Agency once a closed package is received from the title company.

A final HUD-1 must be submitted to the Agency prior to closing for review and approval to ensure that there are no junk or excessive fees being charged to the borrower. Mortgage broker and/or developer fees are not allowed.

Please refer to Attachment IV for a list of the allowable fees that can be charged to the borrower at closing.

NSP Program Guidelines

- **Must be used to purchase a foreclosed property**
- **Income Limits**
 - 51%-120% AMI
- **Employment & Credit**
 - 24 months of good established credit
 - 24 months of verified employment
- **Citizenship**
 - Must be a US citizen or permanent resident alien
- **Down-payment**
 - 3%
 - 1% from own funds
- **Maximum DTI**
 - 45%
- **Homebuyer's Counseling**
 - 8 hours HUD approved
- **Maximum Purchase Price**
 - \$205,000
- **Soft Seconds**
 - Based upon AMI
 - \$50,000-70,000
- **Loan Terms**
 - 30 years
- **Loan Rate**
 - 0%-6%
- **Occupancy**
 - Primary

The NSP Spot loan program is focused to purchasing foreclosed properties needing very little rehabilitation or repair.

A maximum of \$5,000 from the amount awarded could be directed towards those repairs. Minor repairs would include missing appliances, or other minor repairs that could be completed within a few days of closing.

The assessment of eligible repairs must be made jointly with the construction managers.

**INCOME AND MORTGAGE LIMITS
Adjusted for Family Size**
(Subject to periodic revisions by US HUD)
(Income and Mortgage Limits REVISED February 19, 2008)
**INCOME AND MORTGAGE LIMITS
Adjusted for Family Size**

FAMILY SIZE	30%	50%	80%	Median 100%	120%	140%
	< E. LOW	<- V. LOW	<-LOW/MOD >			
1	14,150	23,600	37,750	47,200	56,640	66,080
2	16,150	26,950	43,100	53,900	64,680	75,460
3	18,200	30,350	48,500	60,700	72,840	84,980
4	20,200	33,700	53,900	67,400	80,880	94,360
5	21,800	36,400	58,200	72,800	87,360	101,920
6	23,450	39,100	62,500	78,200	93,840	109,480
7	25,050	41,800	66,850	83,600	100,320	117,040
8	26,650	44,500	71,150	89,000	106,800	124,600

SHIP/NSP limited to 120% (Subject to periodic revisions by US HUD Effective March 19, 2009)
(Income and Mortgage Limits REVISED April 6, 2009)

**SUBSIDY LEVELS BASED ON MEDIAN INCOME AND FAMILY SIZE
MAXIMUM Subsidy Table (All Programs Except NSP)**

Percentage of AMI	50% or below	80% or below	100% or below	Above 100%
Properties within entitlement cities providing assistance* up to:	\$60,000	\$50,000	\$40,000	\$30,000
Properties out of entitlement cities (unincorporated Miami-Dade) ¹ up to:	\$80,000	\$70,000	\$60,000	\$50,000

* Cities that provide homeownership assistance. ¹ If the entitlement city does not have funding available or the borrower does not income qualify for the entitlement city funding, the borrower will receive the maximum amount allowed. Entitlement cities include Miami, Miami Beach, North Miami, Hialeah (Miami Gardens is in the process of becoming an entitlement city). On a case by case basis at the discretion of the OCED, the amount of subsidy can be increased for very low income borrowers (at or below 50% of median).

*** County funded developments contracted before this change will be honored at the previous amount

ALL UNITS MUST MEET THE CRITERIA SUBMITTED TO THE COUNTY IN THE RFA FOR WHICH THEY WERE AWARDED FUNDING (ie, Purchase price, unit size, number of units, etc). NO EXCEPTIONS.

Loan Documentation Checklist

Lender Name			
Loan Officer/Processor	Phone	Fax	Email
Title Company		Address	
Contact Person	Phone	Fax	Email
Borrower's Name			
Co-Borrower's Name			
Current Address		City, State, Zip Code	
Daytime Phone Number	Evening Phone Number	Mobile Phone Number	Email
Property Address:			
Developer Name/ Project Name			
Contact person for developer	Phone	Other	

All documentation listed below, if applicable, must be submitted as part of the lender package. Failure to do so may delay the application process.
REQUIRED DOCUMENTATION AT TIME OF OCED INTERVIEW
Fully executed sales contract with at least 60 days remaining before expiring
Two (2) years signed and dated Income Tax Returns and W-2's with all applicable Schedules
<i>If applicable:</i> Award letters for all other income: Social Security pension/retirement/SSI/welfare/disability
<i>If applicable:</i> Pay stub for the last 30 days If VOE has not been obtained. (<i>Evidence of VOE Request by Lender</i>)
Proof of legal residence: Resident Alien Card, INS Employment Authorization, I-94 (Cuban Citizens only). <i>*Please Note: Documents must be current at time of application and show proof of Dade County resident</i>
Picture ID (i.e., Driver License, Employment ID, etc) and Social Security Cards of all household members
Most current six months bank statement for all accounts
Birth Certificate(s) for all household members, Letter from guardianship/adoption (if applicable) and/or School Records
<i>If applicable:</i> Divorce Decree and Property Settlement Agreement; Proof of receipt of child support for the prior 12 consecutive months; Provide proof of non-receipt and "good faith" effort to collect and avoid inclusion in annual income figure
<i>If applicable:</i> Third Party Verification of Regular Cash Contribution Letter for non-court ordered child support; If the applicant is not receiving court-ordered child support, a letter from the Department of Revenue, Child Support Enforcement Office is required
<i>If applicable:</i> Alternative credit letters of verification from the following utilities: Bellsouth, FPL, Auto/Life Insurance, Furniture – Only if borrower has limited credit or no established credit
Certificate of Completion of Homebuyers Training Program
THE BELOW ITEMS ARE REQUIRED FROM THE BANK
First Lender Commitment Letter
Executed 1003 and 1008 (Transmittal Summary), Truth in Lending (TIL) and Good Faith Estimate
Appraisal Long Form – Original with pictures or acceptable electronic color copy
Tri-merged credit report (if not submitted at the time of OCED interview)
Fully executed sales contract (if not submitted at the time of OCED interview)

THIRD-PARTY VERIFICATION OF EMPLOYMENT

State and/or Federal Regulations require us to verify employment history and income information for the person that has provided authorization below, in order to determine their eligibility for program assistance. Your cooperation in providing the requested information below is most appreciated. You may fax to **786-469-2265** or mail to the address below.

Authorization:

I hereby authorize the release of requested information. A copy of the executed "Authorization for the release of Information" is attached which indicates my agreement with the release of information requested for the sole purpose of determining eligibility for program assistance.

Signature of Applicant	Print Name	Date
Signature of Co-Applicant	Print Name	Date

Please return information to:

Office of Community and Economic Development/HDLAD
 701 NW 1 Court, 14th Floor
 Miami, FL 33136
 786-469-2100

Attn: _____

Please provide information about anticipated employment income during the next 12 months:

Company Name: _____

Position: _____ Length of Time Employed: _____

Pay Rate: _____ Pay Frequency (Hr, Wk, Mo): _____

Overtime Pay Rate: _____ Average Overtime Hours/Wk: _____

Total Annual Base-Pay Earnings: _____

Total Overtime Base-Pay Earnings: _____

Amount and frequency of other Compensation (bonus, raise, commission, tips): _____

Vacation Pay(Y or N): _____ If yes, number of days: _____

Retirement Account (Y or N): _____ Amount Accessible to Employee: \$ _____

Total Gross Annual Income, including other compensation, for next 12 months: \$ _____

Signature of authorized representative: _____

Printed Name: _____ Title: _____

Date: _____ Phone: _____

Warning: Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.83.

Note: For ALL applicable Household Members 18 years or over, obtain a signed copy of this form for each verification to be completed. Send form directly to the appropriate employment source; do not send form through applicant. Upon receiving verification, date-stamp, and compare information to that received on application. Make any necessary notations, date and initial. If significant differences exist between amount reported and verified, obtain a written explanation from applicant and attach to file.

SCHEDULE OF ACCEPTABLE FEES TO BE CHARGED TO BORROWER

The interest rate to be charged on the first mortgage will be the Freddie Mac, FNMA, or FHA net 30 day rate for 30 years and shall be locked in for a period of at least 60 days. If the loan is not closed within 60 days, the interest rate will be the prevailing rate to be determined not less than 5 days before closing. The rate shall be locked in at the time of loan approval with a "float down" feature if the rates should go down.

The term of the first mortgage loan shall be 30 years fixed.

The maximum allowable fees to the borrower are as follows:

Lenders have the option of charging individual fees to cover their charges, or can charge a 2% loan origination fee to cover these lender charges. This 2%, is based upon the first mortgage amount, and can be used to cover the following fees:

- Document Prep fee
- Courier
- Underwriting fee
- Processing fee
- Closing fee
- Application fee
- Settlement fee
- Notary fee

If the lender chooses to disclose these fees as separate line items on the HUD1, and GFE the total of these fees cannot exceed 2% of the first mortgage loan amount. Lenders are **not** permitted to charge **both** the 2% origination fee and the fees listed above.

Lenders are allowed to charge the following fees when compliant with the first mortgage loan:

- | | |
|-------------------------|---------------------------|
| Tax Service fee | Prevailing Lender Cost |
| Flood Certification | Prevailing Lender Cost |
| Appraisal Fee | Prevailing vendor cost |
| Credit Report | Prevailing vendor cost |
| Re-certification fee | \$100.00 maximum |
| Final Inspection | \$100.00 maximum |
| Roof/Termite Inspection | Prevailing vendor cost |
| Recording fees | Per State regulations |
| Septic Tank Inspection | Prevailing vendor cost 2. |

Developer Fees are not permitted to be charged to the borrowers.

**MIAMI-DADE COUNTY
SINGLE FAMILY REHABILITATION AND HURRICANE SHUTTER LOAN PROGRAMS
GUIDELINES**

I. INTRODUCTION

Miami-Dade County currently has two programs that provide homeowners with low interest rate loans to assist them in making necessary repairs to their home and/or to protect their homes with hurricane shutters.

II. SCOPE

These guidelines cover only owner-occupied single family homes including cluster homes, town homes with the exclusion of common areas, condominiums.

III. DEFINITIONS

1. Completion of Rehabilitation: Means when all inspections have passed and all permits have been closed for all the work performed.
2. Disabled: Means anyone in the household who has proof of disability, regardless of age.
3. Dwelling Unit: Means a residential space which qualifies as a place of permanent habitation for one family which contains a living room, kitchen area, bathroom(s) and bedroom(s). An efficiency apartment (studio) is considered a one bedroom unit.
4. Elderly: Means an applicant who is ≥ 62 years old.
5. Family: Means an individual or two or more persons related by blood, marriage, adoption, guardianship or operation of law; or are not so related; and may include one or more individuals (who have not attained the age of 18) being domiciled with a parent or another person having legal custody of such individual or the designee of such parent or the person having such custody, with the written permission of such parent or other persons who occupy the same dwelling unit.
6. Income Classifications: These limits shall be adjusted automatically whenever the Federal Government (US HUD) periodically re-determines the median income for Miami-Dade County.
 - A. Low income means a family whose gross income is below 80% of the median income for Miami-Dade County.
 - B. Moderate income means a family whose gross income is between 81% and 140% of the median income for Miami-Dade County.
7. Owner: Means the individual(s) who holds valid legal title to the property to be rehabilitated.
8. Owner Occupied: Means a residential property containing one dwelling unit in which the owner resides on a full time basis.
9. Rehabilitation: Means the repair of a structure or facilities in connection with a structure, and may include the provision of sanitary or other facilities.
10. Single Family Property: Means property devoted solely to residential use and consisting of one dwelling unit.
11. Work Write -Ups: Means the itemization of all rehabilitation work to be done on a property, including such directions and specifications for workmanship and materials as may be necessary for the job to be bid and constructed properly and to pass all inspection by the Building and Zoning Department.

IV. LOAN PROGRAMS

1. Rehabilitation

A rehabilitation loan may be made to an eligible applicant for the purpose of fully bringing his/her property up to current building code and/or to make the home barrier-free for disabled applicants. It is used to repair roofs, perform other structural, electrical or sanitation related repairs.

A. *Loan Amount*

- a. The maximum total loan amount shall not exceed \$30,000 (up to \$40,000 if the applicant is elderly (62 and older) or the homeowner or a household member is certified disabled by the Department of Human Services, Disability Services and Independent Living (DSAIL) Section).

B. *Eligibility*

a. *Areas*

Rehabilitation loans may be for any otherwise eligible property located within Miami-Dade County.

b. *Properties*

- i. Owner-occupied single family residences, cluster homes, town homes and with the exception of common areas, condominiums.
- ii. The property must be in need of rehabilitation and may not have any illegal additions and/or any serious building code violations that exceed loan amount to bring up to code.
- iii. Property must be free of any foreclosure action.
- iv. Property cannot be assessed according to the tax rolls at more than \$175,000.

c. *Applicants*

- i. The applicant must be an individual or family who owns and occupies a single family residence.
- ii. Applicant can only apply once for the program per folio property.
- iii. Applicant must not own more than one property.
- iv. Applicant must select their own licensed and insured general contractor to perform repairs.
- v. Applicant must be the legal owner of their property for at least one year prior to the application date.
- vi. Real estate taxes must be paid current unless deferred by the Tax Collector's Office.
- vii. If applicable, association fees must be paid current.
- viii. If applicable, mortgage(s) must be paid current.
- ix. Applicant must carry property insurance coverage or be able to afford to buy insurance.
- x. Total cash assets cannot exceed \$10,000. Retirement accounts for elderly and disabled applicants are not considered assets.
- xi. Applicant must submit all paperwork requested.
- xii. The applicant must be either a low or moderate income person or family and the maximum household income cannot exceed the following chart:

HOUSEHOLD SIZE	MAXIMUM INCOME LIMIT*
1	\$66,080
2	\$75,460
3	\$84,980
4	\$94,360
5	\$101,920
6	\$109,480
7	\$117,040
8	\$124,600
* Effective March 19, 2009 Subject to revision by US HUD	

C. *Loan Terms*

- a. If the Applicant's Total Debt to Income Ratio (TDTI) is less than 45% repayment and terms shall be as follows:

- i. 20-year fully amortized payment is assessed based on HUD's AMI matrix (refer to Section D). First payment is due and payable one month after Completion of Rehabilitation.
 - If the owner sells the property, refinances, changes title, ceases to use the home as his primary residence, the balance of the loan shall become due and payable in full by the owner.
 - Upon the death of the owner, the loan shall be become due and payable in full unless ownership of the property passes to the heirs of owner and those heirs meet the following criteria: a) live in the property, b) earn no more than 140% of AMI at time of transfer, and c) execute appropriate documents as required by Miami-Dade County.
- b. If the Applicant's Total Debt to Income Ratio (TDTI) is greater than 45% repayment and terms shall be as follows:
 - i. 20-year term with a \$50.00 principal only per month payment is assessed. Forgivable after 20 years. First payment is due and payable one month after Completion of rehabilitation.
 - If the owner sells the property, refinances, changes title, ceases to use the home as his primary residence, the balance of the loan shall become due and payable in full by the owner.
 - Upon the death of the owner, the loan shall be become due and payable in full unless ownership of the property passes to the heirs of owner and those heirs meet the following criteria: a) live in the property, b) earn no more than 140% of AMI at time of transfer, and c) execute appropriate documents as required by Miami-Dade County.

D. *Loan Interest Rates*

The loan interest rate is determined by total household income based on the area median income (AMI) and income limit for the family size.

Household Size	Percent of Area Median Income / Maximum Income Limit* (Effective March 19, 2009 subject to revision by US HUD)								
	30%	40%	50%	60%	70%	80%	100%	120%	140%
1	\$14,150	\$18,880	\$23,600	\$28,320	\$33,040	\$37,750	\$47,200	\$56,640	\$66,080
2	\$16,150	\$21,560	\$26,950	\$32,340	\$37,310	\$43,100	\$53,300	\$64,680	\$75,460
3	\$18,200	\$24,280	\$30,350	\$36,420	\$42,490	\$48,500	\$60,700	\$72,840	\$84,980
4	\$20,200	\$26,960	\$33,700	\$40,440	\$47,180	\$53,900	\$67,400	\$80,880	\$94,360
5	\$21,800	\$29,120	\$36,400	\$43,680	\$45,570	\$58,200	\$72,800	\$87,360	\$101,920
6	\$23,450	\$31,280	\$39,100	\$46,920	\$50,960	\$62,500	\$78,200	\$93,840	\$109,480
7	\$25,050	\$33,440	\$41,800	\$50,160	\$58,520	\$66,850	\$83,600	\$100,320	\$117,040
8	\$26,650	\$35,600	\$44,500	\$53,400	\$62,300	\$71,150	\$89,000	\$106,800	\$124,600
Interest Rate	0%		1%	2%	3%	4%	5%	6%	6%

E. *Funding Source*

a. Surtax

By Florida Statute, Surtax funds must be allocated accordingly:

- i. At least 75% for low income (below 80% of AMI) applicants
- ii. Maximum of 25% for moderate income (between 81% to 140% of AMI) applicants

F. *Security Instruments*

- a. All rehabilitation loans shall be secured by a mortgage or similar security instrument.
- b. Any mortgage used as security for a rehabilitation loan may not be transferred or assigned by the owner to another person without the prior approval by the County.

G. *Security Positions*

The rehabilitation loan may be subordinate to an existing mortgage if adequate equity is established on the property to be rehabilitated.

2. **Hurricane Shutters**

This program is designed to assist low-to moderate income homeowners with a loan to install hurricane shutters approved by Miami-Dade County Building and Zoning Department.

A. *Loan Amount*

- a. The maximum total loan amount shall not exceed \$5,000.

B. *Eligibility*

a. *Areas*

Hurricane shutter loans may be for any otherwise eligible property located within Miami-Dade County.

b. *Properties*

- i. Owner-occupied single family residences, cluster homes, town homes with the exception of common areas, condominiums.
- ii. Property cannot be assessed according to the tax rolls at more than \$175,000.
- iii. Property cannot have any building code violations.
- iv. The property must be free of any foreclosure action and/or tax liens

c. *Applicants*

- i. The applicant must be an individual or family who owns and occupies a single family residence.
- ii. The applicant must be either a low or moderate income individual or family and the maximum household income cannot exceed 140% of the area median income.

HOUSEHOLD SIZE	MAXIMUM INCOME LIMIT*
1	\$66,080
2	\$75,460
3	\$84,980
4	\$94,360
5	\$101,920
6	\$109,480
7	\$117,040
8	\$124,600

* Effective March 19, 2009
Subject to revision by US HUD

- iii. Applicant can apply once for the program per folio property.
- iv. Applicant must submit paperwork requested.
- v. Applicant must act as owner/builder.
- vi. Applicant must be the legal owner of the property for at least one year prior to the application date.
- vii. Total cash assets cannot exceed \$10,000 except elderly and disabled applicants who have in their assets their retirement accounts.
- viii. Applicant must not own more than one property.
- ix. If applicable, applicant must be current on association fees.
- x. The applicant must be current on mortgage payments and real estate taxes.

C. *Loan Term*

- a. A 20-year balloon payment with a one time interest only charge payable upon maturity.

- If the owner sells the property, refinances, changes title, ceases to use the home as his primary residence, the balance of the loan shall become due and payable in full by the owner.

- Upon the death of the owner, the loan shall be become due and payable in full unless ownership of the property passes to the heirs of owner and those heirs meet the following criteria: a) live in the property, b) earn no more than 140% of AMI at time of transfer, and c) execute appropriate documents as required by Miami-Dade County.

D. *Loan Interest Rate*

- a. Household below 80% of median income – Up to three (3) percent
- b. Household between 81% and 140% of median income – Up to six (6) percent

E. *Funding Source*

- a. Surtax
 - By Florida Statute, Surtax funds must be allocated accordingly:
 - i. At least 75% for low income (below 80% of AMI) applicants
 - ii. Maximum of 25% for moderate income (81% to 140% of AMI) applicants

V. **LOAN PROCESSING AND APPROVAL**

All rehabilitation and hurricane shutter loans will be processed by Office of Community and Economic Development (OCED) Homeownership and Rehabilitation Staff. All loans shall be reviewed and approved or denied by the Director or his/her designee.

VI. **SUPPLEMENTS**

An additional rehabilitation supplemental loan may be approved by the Director or his/her designee when, during rehabilitation, work items which were not anticipated or are necessitated by change in local codes or ordinances, are subsequently required and the work exceeds the loan amount. The supplemental loan shall not exceed \$5,000.00.

VII. **WAITING LIST**

Rehabilitation and Hurricane Shutter applications are submitted by homeowners to the Community Action Agency (CAA) and are placed on a waiting list on a first-come, first-served basis. Each time that a group of applicants is selected from the waiting list, processing priority will be given to elderly and disabled applicants.

1. Emergency Pulls

An application may be pulled out of line from the waiting list if the health, safety or sanitation is negatively impacted by the condition of the property and is verified by an CAA inspector. The request must be made in writing by the applicant or by an agent acting on behalf of the applicant and approved by the department.

VIII. **LOAN SERVICING**

All rehabilitation loans will be serviced by the loan servicing unit operating under the Loan Administration Division of the Office and Community and Economic Development Department. A \$20.00 servicing set up fee is taken from the loan amount.

IX. **RECORDING FEE**

All rehabilitation loans are recorded and the recording fee is taken from the loan amount.

X. **EFFECTIVE DATE**

These guidelines take effect April 29, 2009. Any revisions or amendments will modify the effective date accordingly.

**MIAMI-DADE COUNTY
DEPARTMENT OF PUBLIC HOUSING AND COMMUNITY DEVELOPMENT
RECOMMENDATIONS FOR LOAN TERMS AND CONDITIONS FOR
FY 2013 RFA**

Interest Rates below are subject to an independent underwriting analysis

FUNDING SOURCE	USE OF FUNDS	TYPE OF AGENCY	LOAN TERMS			NOTES
			RATE	CONSTRUCTION TERMS	AFFORDABILITY	
HOME/ HOME CHDO	ACQUISITION, NEW CONSTRUCTION OR REHABILITATION OF AFFORDABLE RENTAL HOUSING, PRE- DEVELOPMENT.	NOT-FOR- PROFIT	0% during construction, yrs. 1-2. .5% accrual in years: 3-30 subject to project cash flow.	2 years for construction completion.	- Subject to rental regulatory agreement for set aside units during the entire 30 year term - Subject to Florida Housing Finance Corporation (FHFC) terms. - Subject to subsidy layering review	Overall debt service ratio 1.25 maximum
HOME	ACQUISITION, NEW CONSTRUCTION OR REHABILITATION OF AFFORDABLE RENTAL HOUSING (RENTAL ONLY).	FOR PROFIT	0% during construction, yrs. 1-2. 1%-6% accrual in years: 3-30 subject to project cash flow.	2 years for construction completion.	- Subject to rental regulatory agreement for set aside units during the entire 30 year term - Subject to FHFC terms. - Subject to subsidy layering review	Overall debt service ratio 1.25 maximum
HOME	HOMELESS	NOT-FOR- PROFIT	0% during construction, yrs. 1-2. .5% accrual in years 3-30 which will not be collected as long as development complies with all loan conditions.	2 years for construction completion. If the project complies with all loan conditions, then the principal and interest shall be forgiven in equal increments equal to twenty- five percent (25%) of the loan amount in years 27 through 30.	- Subject to rental regulatory agreement. - Subject to a 30 year affordability and occupancy restriction period. - Subject to FHFC terms. - Subject to subsidy layering review	If borrower ceases its use of the property as a homeless facility, then or at any time, upon written notice from the County, the loan, including any accrued interest, if any, shall become immediately due and payable.
HOME	HOMELESS	FOR PROFIT	0% during construction, yrs. 1-2. 0% - 6% accrual in years 3-30 which will not be collected as long as development complies with all loan conditions.	2 years for construction completion. If the project complies with all loan conditions, then the principal and interest shall be forgiven in equal increments equal to twenty- five percent (25%) of the loan amount in years 27 through 30.	- Subject to rental regulatory agreement. - Subject to a 30 year affordability and occupancy restriction period. - Subject to FHFC terms. - Subject to subsidy layering review	If borrower ceases its use of the property as a homeless facility, then or at any time, upon written notice from the County, the loan, including any accrued interest, if any, shall become immediately due and payable.
MISC. REVENUE OR FUNDS		FOR PROFIT	0% during construction, yrs. 1-2. 1.0%-6% accrual in years: 3-30 subject to project cash flow.	2 years for construction completion.	- Subject to rental regulatory agreement for set aside units during the entire 30 year term - Subject to FHFC terms. - Subject to subsidy layering review	Overall debt service ratio 1.25 maximum
MISC. REVENUE OR FUNDS		NOT-FOR- PROFIT	0% during construction, yrs. 1-2. 0.5% accrual in years: 3-30 subject to project cash flow.	2 years for construction completion.	- Subject to rental regulatory agreement for set aside units during the entire 30 year term - Subject to FHFC terms. - Subject to subsidy layering review	Overall debt service ratio 1.25 maximum

**Miami-Dade County Department of Public Housing and Community Development (PHCD)
LOAN TERMS AND CONDITIONS FOR SURTAX - FY 2013**



Interest Rates below are subject to an independent preliminary feasibility analysis

FUNDING SOURCE	TYPE OF DEVELOPMENT	TYPE OF DEVELOPER	*RATE	CONSTRUCTION PERMANENT TERMS	AFFORDABILITY	NOTES
SURTAX	Multi-family rental developments	For Profit	0% during construction, yrs. 1-2. 1.0% to 6.0% accrual in years: 3-30 subject to project cash flow.	2 years for construction completion.	- Subject to rental regulatory agreement for set aside units during the entire 30 year term - Subject to Florida Housing Finance Corporation terms. - Subject to subsidy layering review	*Overall debt service ratio 1.25 maximum Twenty percent of the developer fee must be deferred.
SURTAX	Multi-family rental developments	Not-for-Profit	0% during construction, yrs. 1-2. 0.5% accrual in years: 3-30 subject to project cash flow.	2 years for construction completion.	- Subject to rental regulatory agreement for set aside units during the entire 30 year term - Subject to Florida Housing Finance Corporation terms. - Subject to subsidy layering review	*Overall debt service ratio 1.25 maximum
SURTAX	Homeless and Public Housing	For Profit	0% during construction, yrs. 1-2. 0% to 6.0% accrual in years 3-30 which will not be collected as long as development complies with all loan conditions.	2 years for construction completion. If the project complies with all loan conditions, then the principal and interest shall be forgiven in equal increments equal to twenty-five percent (25%) of the loan amount in years 27 through 30.	- Subject to rental regulatory agreement. Subject to a 30-year affordability and occupancy restriction period. - Subject to Florida Housing Finance Corporation terms. - Subject to subsidy layering review	If borrower ceases its use of the property as a homeless facility, then or at any time, upon written notice from the County, the loan, including any accrued interest, if any, shall become immediately due and payable.
SURTAX	Homeless and Public Housing	Not-for-Profit	0% during construction, yrs. 1-2. 0% accrual in years 3-30 which will not be collected as long as development complies with all loan conditions.	2 years for construction completion. If the project complies with all loan conditions, then the principal and interest shall be forgiven in equal increments equal to twenty-five percent (25%) of the loan amount in years 27 through 30.	- Subject to rental regulatory agreement. Subject to a 30-year affordability and occupancy restriction period. - Subject to Florida Housing Finance Corporation terms. - Subject to subsidy layering review	If borrower ceases its use of the property as a homeless facility, then or at any time, upon written notice from the County, the loan, including any accrued interest, if any, shall become immediately due and payable.