

**Topic:** Affordable Housing  
**Resource Type:** Regulations  
**State:** Florida  
**Jurisdiction Type:** Municipal  
**Municipality:** City of Palm Bay  
**Year (adopted, written, etc.):** 1993  
**Community Type – applicable to:** Urban; Suburban  
**Title:** City of Palm Bay Community Development  
Division: Housing Assistance Program  
**Document Last Updated in Database:** January 27, 2016

### ***Abstract***

The Community Development Division: Housing Assistance Program ordinance created the Local Housing Assistance Program to hold and distribute state money with all funds being distributed to moderate, low, and very low-income housing. The Program distributes loans with “affordable” monthly payments, as defined by FL Statute 420.9071(3).

### ***Resource***

#### **§ 37.01 SUBMISSION TO STATE.**

The City Council approves the submission of the City Local Housing Assistance Plan to the Florida Housing Finance Agency in accordance with the State Housing Initiatives Partnership Act (SHIP) Rules and Regulations.

(‘74 Code, § 2-71) (Ord. 93-11, passed 5-20-93)

***Editor’s note:*** Exhibit A, the city’s local housing assistance plan, appended to Ordinance No. 93-11, passed 5-20-93, is not codified in this subchapter. Copies of this exhibit shall be available for public inspection at the office of the City Clerk.

#### **§ 37.02 DEFINITIONS.**

As used in this subchapter, the terms and definitions shall conform with Fla. Admin. Code § 91-37.002, the State Housing Initiatives Partnership (“SHIP”) Program, and Fla. Stat. § 420.9071.

(‘74 Code, § 2-72) (Ord. 93-11, passed 5-20-93)

#### **§ 37.03 CREATION OF HOUSING ASSISTANCE TRUST FUND.**

(A) A Local Housing Assistance Trust Fund shall be established and maintained by the city, in a qualified depository as defined in Fla. Stat. Ch. 280. Administration of the local

housing assistance trust fund shall comply with SHIP regulations and the applicable rules of the Florida Administrative Code. Any funds deposited into the Local Housing Assistance Trust Fund will be subject to the requirements of SHIP.

(B) All city moneys city received from its share of the local housing distribution, received or budgeted by the city to provide for the local housing assistance plan, as well as moneys guaranteed from the planned activities, i.e., interest generated from planned activities, shall be deposited into the trust fund.

(C) Only expenditures for the administration and implementation of the plan can be made from the fund, as well as any interest earned thereon.

(D) The city agrees that the Local Housing Assistance Trust Fund shall be separately stated as a special revenue fund in the city's audited financial statements. This fund shall be separately audited for each state fiscal year, and the audit shall be forwarded to the Florida Housing Finance agency as soon as it is available.

('74 Code, § 2-73) (Ord. 93-11, passed 5-20-93)

#### **§ 37.04 CREATION OF HOUSING PARTNERSHIP.**

(A) The Local Housing Partnership is created and established.

(B) The Local Housing Partnership may include, but is not limited to, city representatives, community-based organizations, for profit housing developers, builders, lending institutions, providers of professional services relating to affordable housing, and service organizations working on behalf of persons with special housing needs.

(C) The Local Housing Partnership shall assist in the implementation of the local housing assistance program. Such implementation shall be consistent with this subchapter, SHIP regulations, and the applicable rules of the Florida Administrative Code.

('74 Code, § 2-74) (Ord. 93-11, passed 5-20-93)

#### **§ 37.05 INTENT AND PURPOSE OF THE LOCAL HOUSING ASSISTANCE PROGRAM.**

The intent of the Local Housing Assistance Program is:

(A) To increase the availability of affordable housing units by combining local resources and cost-saving measures into a Local Housing Partnership and using private and public funds to reduce the cost of housing.

(B) To promote leveraging of public and private moneys to provide affordable housing to eligible persons.

('74 Code, § 2-75) (Ord. 93-11, passed 5-20-93)

**§ 37.06 ESTABLISHMENT OF LOCAL HOUSING ASSISTANCE PROGRAM.**

(A) The Local Housing Assistance Program is created and established.

(B) The Local Housing Partnership shall use the funds received from the state pursuant to the SHIP Act to implement the Local Housing Assistance Program. The funds shall be distributed in the following manner:

(1) Distribution of moneys.

(a) A maximum of ten percent (10%) of all moneys for administrative costs.

(b) A minimum of sixty-five percent (65%) of all moneys for home ownership activities, including acquisition, acquisition/rehabilitation or new construction for eligible home buyers; rehabilitation or reconstruction for eligible home buyers; rehabilitation or reconstruction for eligible owner-occupants of that amount which represents the percentage of median adjusted gross annual income for households as indicated in this subchapter. The balance of the funds may be used for rental unit activities or as otherwise be authorized by Florida law.

(c) A minimum of seventy-five percent (75%) of the funds shall be reserved for construction, rehabilitation or emergency repair of eligible housing.

(2) Distribution of all units constructed, rehabilitated or otherwise assisted.

(a) Very-low-income occupants. At least thirty percent (30%) of units.

(b) Low-income occupants. At least thirty percent (30%) of units.

(c) Moderate-income occupants. Not more than forty percent (40%) of units.

(3) Loan terms.

(a) Loans shall be provided for periods not exceeding thirty (30) years except for deferred payment loans or loans that extend beyond thirty (30) years in order to provide affordable housing that continues to serve eligible persons.

(b) Eligible owner-occupied housing constructed, rehabilitated or otherwise assisted from proceeds provided from the housing assistance program shall be subject to the recapture provision of the Mortgage Revenue Bond Program contained in section 143(m) of the Internal Revenue Code of 1986 or whatever recapture provisions as required by the Florida Statutes.

(c) The total amount of monthly mortgage payments shall be made affordable. **AFFORDABLE** shall be defined in accordance with Fla. Stat. § 420.9071(3).

(4) Cost per unit.

(a) The maximum cost per unit for eligible housing benefitting from awards made pursuant to this program will be established by resolution of the City Council.

(b) A qualification system for applications for awards will be established through the Local Affordable Housing Advisory Committee.

(c) The Community Development Division shall annually monitor and determine tenant eligibility and the amount of subsidy pursuant to the provisions of this subchapter, state and federal law. The city, the local partnership, and all eligible sponsors shall not discriminate on the provision of affordable housing to very-low-income, low-income or moderate-income individuals on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the loan application process for eligible housing.

(5) Compliance.

(a) The city shall comply with all rules and regulations of the Florida Housing Finance Agency regarding reporting by the city of compliance with its Local Housing Assistance Program.

(b) Prior to receiving an award, all eligible sponsors or eligible persons shall enter into an agreement with the city, agreeing to comply with the affordable housing criteria provided in the SHIP Act and any applicable provisions of the Florida Administrative Code and this subchapter. All eligible sponsors or eligible persons shall either include in any deed transferring ownership of property pursuant to the Local Housing Assistance Program to such eligible person or sponsor a covenant agreeing to comply with the terms of the above described laws which covenant will run with the land or in the alternative, such agreement shall be made a part of any mortgage agreement with respect to such property. Failure to comply with the covenant in the mortgage shall result in a default of the mortgage with all remedies and rights of enforcement of the agreement available to mortgagees.

('74 Code, § 2-76) (Ord. 93-11, passed 5-20-93)

**§ 37.07 DESIGNATION OF RESPONSIBILITY FOR ADMINISTRATION AND IMPLEMENTATION OF PLAN AND PROGRAM.**

(A) Implementation and administration. The Local Housing Assistance Plan (the “plan”) shall be implemented by the Community Development Division of the city, which shall also be responsible for the plan's administration under the auspices of the Local Housing Partnership. By this reference the definitions enumerated and set forth in SHIP and any applicable provisions of the Florida Administrative Code are incorporated into and made an integral part of the plan and this subchapter.

(B) The total amount paid for any administrative expenses in connection with the Local Housing Assistance Program will not exceed ten percent (10%) of the proceeds of the local housing distribution as approved by resolution of the City Council.

(C) In implementing the Local Housing Assistance Program, the city shall:

(1) Advertise the availability of a housing assistance program in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods at least thirty (30) days before the beginning of any application period.

(2) Adopt a maximum award schedule or system of awards to comply with the following criteria:

(a) A minimum of sixty-five percent (65%) of the funds shall be reserved for home ownership for eligible persons. The balance may be used for units with rental tenure.

(b) Seventy-five percent (75%) of the funds shall be reserved for construction, rehabilitation or emergency repair of eligible housing.

(c) The sales price of new or existing eligible housing shall not exceed ninety percent (90%) of the median area purchase price in the area where the eligible housing is located as established by the United States Department of Treasury in accordance with section 3(b)2 of the United States Housing Act of 1937.

(d) All units constructed, rehabilitated or otherwise assisted with program funds shall be occupied by very-low-income, low-income or moderate-income persons and persons who have special housing needs. At least thirty percent (30%) of units must be occupied by very-low-income persons and at least another thirty percent (30%) by low-income persons. The remaining forty percent (40%) shall be occupied by persons who have special housing needs, very-low-income, low-income or moderate-income persons.

(e) The amount of monthly mortgage payments or the amount of monthly rents charged by the eligible sponsor or its designee must be affordable to eligible persons, as defined in § 37.06(B)(3)(c).

(f) Loans shall be provided for periods not exceeding thirty (30) years.

(g) Eligible owner-occupied housing constructed, rehabilitated or otherwise assisted from proceeds provided from the Local Housing Assistance Program shall be subject to subsidy recapture provisions which are identical to those specified in section 143(m) of the Internal Revenue Code of 1986 or whatever recapture provision may be required by the Florida Statutes.

(h) The cost per unit and the maximum cost per unit for eligible housing benefiting from awards made pursuant to the Local Housing Assistance Program shall be established by resolution of the City Council.

(i) A qualification system for applicants, for awards consistent with the intent of the Local Housing Assistance Program and SHIP shall be established by the city, the Local Housing Partnership, and the Local Affordable Housing Advisory Committee.

(3) Prior to receiving an award, all eligible persons or eligible sponsors shall enter into an agreement to comply with the affordable housing criteria provided in SHIP and this subchapter. All eligible persons or eligible sponsors shall include in the deed transferring ownership of the property to the eligible person or eligible sponsor a covenant agreeing to comply with the terms of the above-described laws, which covenant will run with the land; or in the alternative, the agreement shall be made a part of the mortgage agreement. Failure to comply with the covenant in the mortgage shall result in a default of the mortgage with all remedies and rights for enforcement of the agreement available to mortgagees.

(4) Eligible sponsors receiving assistance from both the SHIP Program and the Low-Income Housing Tax Credit (LIHTC) Program shall be required to comply with the income, affordability and other LIHTC requirements. Similarly, any eligible household receiving assistance from SHIP and other federal programs shall be required to comply with any requirements specified by the federal program in addition to SHIP requirements.

('74 Code, § 2-77) (Ord. 93-11, passed 5-20-93)

### **§ 37.08 ADOPTION OF THE LOCAL AFFORDABLE HOUSING INCENTIVE RECOMMENDATIONS.**

(A) The Affordable Housing Incentive Recommendations shall consist of the adoption of specific initiatives to encourage or facilitate affordable housing and recommend a schedule for implementation and will include, at a minimum:

(1) A recommended schedule for implementation of expedited permit processing for affordable housing projects; and

(2) A recommended ongoing process for review of local policies, ordinances, regulations and provisions of the city's comprehensive plan that significantly impact the cost of housing.

(B) Within ninety (90) days after the date of the receipt of the affordable housing incentive recommendations from the Local Affordable Housing Advisory Committee and the Local Housing Partnership, the City Council shall take action regarding such recommendations. The City Council shall so notify the Florida Housing Finance Agency of its action by certified mail. The notice shall include a copy of the approved affordable housing assistance plan.

('74 Code, § 2-79) (Ord. 93-11, passed 5-20-93)