

Housing Finance Authority of Pinellas County Community Housing Trust Fund Program Rules and Procedures

COMMUNITY HOUSING TRUST FUND PROGRAM

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Section 1. — Definitions.

Terms defined in Pinellas County Ordinance 06-28 shall be incorporated by reference to the Rules in addition to the following definitions:

- 1) "administrative expenses" means those expenses directly related to implementation of the Local Housing Assistance Plans.
- 2) "annual report" is a report that is required to be completed and submitted to the Housing Finance Authority of Pinellas County (HFA) by January 15 of each year pursuant to Section 3 (5), of Pinellas County Ordinance 06-28 and is adopted and incorporated herein by reference with an effective date of 03-26-06.
- 3) "debt service" means the amount required in any fiscal year to pay the principal of, and interest on, any loan, mortgage, or promissory note.
- 4) "default" means the failure to make required payments on a financial loan secured by a ~~first~~ mortgage which leads to foreclosure and loss of property ownership.
- 5) "institutional first mortgage lender" means any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, or other financial institution or governmental agency authorized to conduct business in this state and which customarily provides service or otherwise aids in the financing of mortgages on real property located in this state.
- 6) "Program" means the Pinellas Community Housing Trust Fund Program created pursuant to Ordinance 06-28.
- 7) "rehabilitation" means repairs or improvements which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space. Local plans may more specifically define local rehabilitation standards.

Section 2. — Fund Availability and Allocation.

Housing Trust Fund proceeds shall be distributed by the HFA to each participating jurisdiction within the County in the manner described in Pinellas County Ordinance 06-28, Section 2 (4).

Section 3. — Local Housing Assistance Plans.

- 1) To be eligible for Program funding for a County fiscal year, a participating jurisdiction must submit and receive approval of its local housing assistance plan and amendments thereto as provided in Section 4. Plans must be submitted to the HFA by January 15 preceding the end of the fiscal year in which the current plan expires. In the case of new participating jurisdictions, plans must be submitted to the HFA by January 15 of the year prior to the County fiscal year they are eligible for funding.
- 2) The effective period of a local housing assistance plan may be up to three years. Participating jurisdictions which receive plan approval for more than one fiscal year shall not be required to resubmit a new plan until January 15 of the year in which the approved plan expires.
- 3) Each local housing assistance plan shall include a description of the local housing assistance plan and incentive strategies, shall reference the requirements of Section 3, Pinellas County Ordinance 06-28, and how each of those requirements shall be met, and shall describe the process which the local government has followed to assess and prioritize housing needs in developing the local housing assistance plan. A participating jurisdiction may choose to use Program distribution funds for one or more of the activities described in Section 3 of Pinellas County Ordinance 06-28 and further described in Section 5 of these Rules.
- 4) The participating jurisdiction shall provide in its local housing assistance plan a complete description of all activities to be undertaken in its local housing assistance plan as described in this Section.
- 5) For each strategy or use of Program distribution funds, the participating jurisdiction shall provide, in its local housing assistance plan, the following information:
 - a) the proposed dollar amount of the local housing distribution to be used for each strategy, stated for each County fiscal year in a multi-year plan;
 - b) a detailed listing of proposed administrative expenses, stated for each County fiscal year in a multi-year plan;
 - c) the estimated number of households proposed to be served by income;
 - d) the maximum amount of funding per unit and the estimated amount of funding for new construction, rehabilitation, or non-construction activities. On a multi-year plan, this information must be presented separately for each County fiscal year;
 - e) the proposed sales price of new and existing units, which can be lower but may not exceed the median area purchase price established by the U.S. Treasury Department.

The information required for paragraph (a) through (d) shall be included in a summary chart format as provided by the HFA.

- f) a statement that housing for which a household devotes more than 30 percent 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 percent benchmark or, in the case of rental housing, does not exceed those rental limits adjusted for bedroom size established by the Florida Housing Finance Corporation;
- g) a description of the extent to which a strategy is implemented by combining resources through a partnership in order to reduce the cost of housing;
 - h) a description of the support services provided by local plans that will be made available to the residents of the housing;
 - i) a description of the initiatives which will be used to conduct outreach and to attract applicants for assistance; and
 - j) a description of how the strategies further the housing element, goals, policies, and objectives of the local government's comprehensive plan.
- 6) Each local housing assistance plan shall also include a statement, and evidence thereof, that the participating jurisdiction:
- a) has a plan to advertise the availability of the housing assistance plan at least 30 days before the beginning of the application period in a newspaper of general circulation. The advertisement must include the following:
 - 1. the amount of the distribution projected to be received from the Community Housing Trust Fund for the fiscal year;
 - 2. the beginning and end date, if applicable, of the application period;
 - 3. the name of the local plan contact person and other pertinent information including where applicants may apply for assistance; and
 - 4. the advertisement may include other such information that the local government deem necessary such as: (i) an estimated amount of Program distribution per strategy; (ii) income set asides for each strategy along with applicable income limits; (iii) a description of the selection criteria for each strategy or; (iv) the maximum housing value limitation for each strategy.
 - b) has developed a qualification system and selection criteria for applications for awards to eligible sponsors, adopted criteria for selection of eligible persons, and adopted a maximum award schedule or system of amounts consistent with the intent and budget of its local housing assistance plan.
 - c) certifies that the staff or entity that has administrative authority for implementing a local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility throughout the compliance period as described in Pinellas County Ordinance 06-28, Section 3;
 - d) has developed a time line for the expenditure of Program distribution funds in sufficient detail to allow for a comparison of such plan with actual expenditures. The time line must also provide, in sufficient detail, an alternate course of action should the participating jurisdiction determine it will not meet program encumbrance and expenditure requirements per Pinellas County Ordinance 06-28, Section 2 (2). The time line should include specific dates when staff will review the plan to determine plan efficiency and efficacy. The information submitted must be presented separately for each County fiscal year;
 - e) has a provision for the application of program income and recaptured funds from loan repayments, reimbursements or other repayments, and interest earnings on the local housing distribution funds. Such provision shall evidence compliance with the provisions of Section 3 (5), Pinellas County Ordinance 06-28;

- 7) A copy of the local housing assistance plan shall be submitted to the HFA. The copy shall bear the original signature of the authorized official and a certification that the document being submitted is the eligible entity's local housing assistance plan and that all provisions of the plan conform to the requirements of Pinellas County Ordinance 06-28 and the Rules set forth herein. Each local housing assistance plan shall contain a table of contents or checklist, which specifies exactly where in the documentation certain required items shall be located. An electronic form of the plan should also be submitted as specified by the HFA.

Section 4. — Review of Local Housing Assistance Plans and Amendments.

- 1) Local housing assistance plans and amendments shall be reviewed by a Review Committee appointed by the Executive Director. In the event that a quorum is not convened for the review of a plan or an amendment to a plan, action can be taken with a simple majority vote of those members present for the review.
- 2) Any participating jurisdiction desiring review of any plan or amendment prior to adoption by the local government body shall submit it for review to the Review Committee. The plan or amendment will be reviewed by the Review Committee, which will recommend it for approval or identify inconsistencies with the requirements of the Program, within 60 days after receipt.
- 3) Amendments to an approved local housing assistance plan must be adopted by resolution and the participating jurisdiction must provide a copy to the Review Committee within 21 days after adoption. The participating jurisdiction must amend its plan if at any time it is determined a strategy will not be used (deleted) or a new strategy will be added. However, an amendment must at all times maintain consistency with Program requirements. All amendments will be reviewed by the Review Committee. The Review Committee will approve the amendment or identify inconsistencies with the requirements of the Program within 60 days after receipt of the amendment.
- 4) Any participating jurisdiction which has adopted a plan or an amendment that has been determined by the Review Committee to be inconsistent with the requirements of the Program, shall make necessary revisions identified by the Review Committee within 60 days of receipt of the Committee's comments; however, the HFA shall not require submission of a new local housing assistance plan to implement amendments until the current effective plan expires.

Section 5. — Uses of and Restrictions upon Program Funds for Local Housing Assistance Plans.

- 1) Program funds shall be used to implement the local housing assistance plan and allocated to eligible activities as defined in Section 3 of Pinellas County Ordinance 06-28. Eligible uses of Program funds not expressly stated in the Ordinance include, but are not limited to, the following:
 - a) to supplement local housing assistance programs and/or Florida Housing Finance Corporation programs;
 - b) to provide local match to obtain federal housing grants or programs;
 - c) to fund emergency repairs by existing service providers under weatherization programs;

- d) to assist with the purchase of manufactured homes constructed after 1992, or to assist in the purchase of a land share in a resident-owned mobile home park, even if the manufactured home was constructed prior to 1992 and meets all applicable code requirements; and
 - e) to further the housing element of the local government comprehensive plan adopted pursuant to Section 163.3184 Florida Statutes, specific to affordable housing.
- 2) For purposes of this rule, the following expenditures are considered to be construction, rehabilitation, or emergency repair costs:
- a) those hard costs which are typically or customarily treated as construction costs by institutional lenders;
 - b) payment of impact fees;
 - c) infrastructure expenses typically paid by the developer;
 - d) construction soft costs such as engineering studies and appraisals, if directly related to housing construction, rehabilitation, or emergency repairs;
 - e) relocation costs associated with rehabilitation of the residence usually occupied by a tenant or home owner; and
 - f) financing, or "buy-down" costs, if directly attributable to assisting eligible persons to own a home or obtain rental occupancy.
- 3) The Review Committee will approve expenditures for administrative expenses including, but not limited to, the following:
- a) salaries of persons directly responsible for preparation of the plans or reporting required as part of the administration of the local housing assistance plan;
 - b) office expenses of persons responsible for the administration of the local housing assistance plan;
 - c) studies conducted by the participating jurisdiction or by consultants selected by the participating jurisdiction to provide data on affordable housing need and demand in the area; and
 - d) expenses related to travel, training, education, and public information initiatives.
- Administrative expenses detailed in the local housing assistance plan which do not fit in these categories shall be analyzed by the Review Committee, which shall make a determination as to whether the proposed expenses shall be approved as administrative expenses.
- 4) The purchase price of new homes constructed or the value of existing homes which are rehabilitated under the Program may not exceed the median area purchase price for either new or existing homes, as applicable, as established by the U.S. Treasury Department. The participating jurisdiction, at its discretion, may set the purchase price below this benchmark.
- 5) All units constructed, rehabilitated, or otherwise assisted with community housing trust funds provided from the HFA must be occupied by eligible persons. At least fifteen percent (15%) of the program funds must be reserved for awards to persons with special needs or eligible sponsors that will serve persons with special needs or persons earning thirty percent (30%) or less of the area median income.

- 6) Loans or grants for houses constructed, rehabilitated, or otherwise assisted by the Program shall be subject to equity sharing and recapture requirements as provided by the participating jurisdiction in its local housing assistance plan. Minimum requirements must ensure that:
 - a) ninety percent (90%) of appreciated value will be recaptured for deposit into the Trust Fund if a house is sold within the first two years from the date of purchase;
 - b) fifty percent (50%) of appreciated value will be recaptured for deposit into the Trust Fund if a house is sold after two years from the date of purchase;
 - c) if the re-sale purchase price is less than market value, an interest bearing mortgage in the amount above the purchase price will be recorded;
 - d) interest may be forgiven if sold to another income eligible buyer;
 - e) a mortgage will be recorded in the public record to assure recovery of the equity share; and
 - f) documents will include a right of first refusal, allowing repurchase by the participating jurisdiction for sale to other eligible buyers.
- 7) Program funds deposited to the local housing assistance fund may not be used as a pledge of the debt service.
- 8) Nothing herein is intended to prevent an owner or operator of a rental housing development from establishing reasonable requirements for residency in the development, including programmatic requirements. However, recipients of Housing Trust Fund proceeds must not discriminate against persons solely because they receive Housing Choice Vouchers, Section 8 Certificates, or other forms of rental assistance. Any residency requirement must apply to all residents of the development, not just to those occupying affordable units.

Section 6. — Local Housing Assistance Fund.

- 1) Participating jurisdiction receiving program funds shall establish and maintain a local housing assistance fund with a qualified depository, as defined in Chapter 280, F.S. All moneys of a participating jurisdiction received from its share of the program funds, recaptured program funds, program income, and other moneys received or budgeted by the participating jurisdiction to provide for the local housing assistance plan, as well as moneys generated from local housing assistance plan activities such as interest earned on loans, shall be deposited into the fund. Expenditures other than for the administration and implementation of the local housing assistance plan may not be made from the fund.
- 2) Amounts on deposit in each local housing assistance fund shall be invested, as permitted by law, for the program funds of the applicable local government(s). All investment earnings shall be retained in such fund and used for the purposes thereof.
- 3) The local housing assistance fund shall be separately stated as a special revenue fund in a participating jurisdiction's audited financial statements. Copies of such audited financial statements shall be forwarded annually to the HFA within 90 days.

Section 7. — Non-Discrimination Requirements.

It is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

Section 8. — Compliance Monitoring for Housing Developed With Program Funds.

- 1) The staff or entity with administrative authority for a local housing assistance plan must develop a tracking system to ensure that the program funds disbursed from the local housing assistance fund are at all times expended in accordance with the requirements of Pinellas County Ordinance 06-28 and these Rules.
- 2) The combined household annual gross income of an applicant who is applying as an owner/occupant of a residence must be verified and certified by the program administrator or his/her designee using income verification and certification procedures such as those established by the U.S. Department of Housing and Urban Development. Other verification procedures must be submitted to the Review Committee for analysis to determine if they are acceptable to the Committee, prior to the allocation of any program assistance. Whichever verification and certification method is used, annual gross income must be used and the Program income limits cannot be exceeded.
- 3) The staff or entity with administrative authority for a local housing assistance plan assisting rental developments shall monitor and determine tenant eligibility and the amount of subsidy using the same guidelines as specified at (2) above, at least annually for 30 years or the term of assistance, whichever is longer. The HFA will monitor the activities of the participating jurisdictions to determine compliance with Program requirements.
- 4) The HFA, or any duly authorized representative, shall be permitted to inspect the local housing assistance plan, advertisements, applications, income verifications and certifications, plan participation contracts, financial records, plan tracking records, construction cost verifications including receipts and contracts, and any other applicable documents at any reasonable time with or without notice. Such records must be maintained within the participating county or eligible municipality at a place accessible to the HFA staff or its designated monitoring agent.
- 5) Projects receiving assistance from the local housing assistance plan and from other state or federal programs which may have conflicting verification, certification, and monitoring requirements, shall comply with requirements of the most restrictive program.

Section 9. — Reporting Requirements.

Each participating jurisdiction must file an annual report with the HFA utilizing an annual report form provided by the HFA. The report is required to be completed and submitted to the HFA by January 15 of each year pursuant to Section 3 (8), of Pinellas County Ordinance 06-28.

Section 10. — Conformity with Ordinance.

In the event Pinellas County amends any provision of the Ordinance, these Rules shall be deemed amended without further action to comply with the amended provisions of the Ordinance. In the event of an inconsistency between these Rules and the Ordinance, the Ordinance shall control.