



CRA Board Redevelopment Workshop #2

Community Redevelopment Agency Board Meeting

Saturday, May 21, 2022 - 9:00 AM

**GoToWebinar Online Meeting and City Hall Chambers, 100 E. Ocean Avenue
561-737-3256**

NOTICE: Workshops are generally working sessions and are less formal than CRA Board Meetings. They are intended as an opportunity for the members of the CRA Board to gather information about important issues or topics. Formal votes of the CRA Board and public comment are not taken unless invited by the Board.

MEETING VIDEO

AGENDA

- 1. Welcome Remarks by CRA Board Chair Ty Penserga and CRA Director Thuy Shutt**
- 2. Invocation**
- 3. Pledge of Allegiance**
- 4. Roll Call**
- 5. Agenda Approval**
 - A. Additions, Deletions, Corrections to the Agenda**
 - B. Adoption of Agenda**
- 6. Workshop #2 - Balancing Priorities and Needs and Affordable Housing**
 - A. Balancing CRA Redevelopment Needs - Jeff Perlman, former Mayor of Delray Beach and Diane Colonna, former Delray Beach CRA Executive Director**
 - B. Statewide and Local Affordable Housing Initiatives - Suzanne Cabrera, President & CEO of the Housing Leadership Council**
 - C. CRA's and the Public Housing Authority Model - Dorothy Ellington, former Executive Director and CEO of the Delray Beach Housing Authority and the Delray Housing Group**
 - D. CRA's and the Community Land Trust Model - Evelyn Dobson, Executive Director of the Delray Beach Community Land Trust**
- 7. CRA Board Closing Remarks**

NOTICE

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE CRA BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING, HE/SHE WILL NEED A RECORD OF THE PROCEEDINGS AND, FOR SUCH PURPOSE, HE/SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. (F.S. 286.0105)

THE CRA SHALL FURNISH APPROPRIATE AUXILIARY AIDS AND SERVICES WHERE NECESSARY TO AFFORD AN INDIVIDUAL WITH A DISABILITY AN EQUAL OPPORTUNITY TO PARTICIPATE IN AND ENJOY THE BENEFITS OF A SERVICE, PROGRAM, OR ACTIVITY CONDUCTED BY THE CRA. PLEASE CONTACT THE CRA, (561) 737-3256, AT LEAST 48 HOURS PRIOR TO THE PROGRAM OR ACTIVITY IN ORDER FOR THE CRA TO REASONABLY ACCOMMODATE YOUR REQUEST.

ADDITIONAL AGENDA ITEMS MAY BE ADDED SUBSEQUENT TO THE PUBLICATION OF THE AGENDA ON THE CRA'S WEB SITE. INFORMATION REGARDING ITEMS ADDED TO THE AGENDA AFTER IT IS PUBLISHED ON THE CRA'S WEB SITE CAN BE OBTAINED FROM THE CRA OFFICE.



CRA BOARD MEETING OF: May 21, 2022

WORKSHOP #2 - BALANCING PRIORITIES AND NEEDS AND AFFORDABLE HOUSING

AGENDA ITEM: 6.A.

SUBJECT:

Balancing CRA Redevelopment Needs - Jeff Perlman, former Mayor of Delray Beach and Diane Colonna, former Delray Beach CRA Executive Director

SUMMARY:

The speaker bios are provided as Attachments I and II, along with their presentation as Attachment III.

ATTACHMENTS:

Description

- ▣ **Attachment I - Jeff Perlman Bio**
- ▣ **Attachment II - Diane Colonna Bio**
- ▣ **Attachment III - Presentation**



JEFF PERLMAN

Jeff Perlman has enjoyed a long career in business, journalism, and community service.

A native of New York, Jeff moved to South Florida in 1987.

He spent more than a decade as an award-winning journalist specializing in municipal government, crime, business, and education.

He founded his own publishing company that he later sold to the BRN Media Group, where he served as an executive vice president before selling that company.

Jeff then ran for a Delray Beach City Commission seat in 2000 and was elected with 81 percent of the vote. He was re-elected in 2001. In 2003, he ran for and was elected Mayor. He was re-elected in 2005 and termed out in 2007.

During his tenure, Jeff co-chaired the Downtown Master Plan, an effort that helped create one of the best small downtowns in America. He also championed race relations, citizen engagement and education initiatives. He helped to pass a \$25 million Parks Bond and spearheaded the rezoning of major corridors including Congress Avenue and the “four corners” of Delray (Military Trail and Atlantic Avenue). During his term, the city adopted a cultural plan, moved Atlantic High School, built significant workforce housing units, and invested more than \$50 million in previously underserved neighborhoods. He was a finalist for Florida Mayor of the Year and co-founded the Florida League of Mayors.

After leaving office, Jeff served as COO of Celsius, an international beverage company that trades on NASDAQ and left to become Executive Vice President of CDS International Holdings, the largest single shareholder in Celsius.

At CDS, Jeff works on real estate and technology investments. He has served as president of Tabanero, a hot sauce company and recently founded the Carl Angus DeSantis Foundation, where he serves as a director. The foundation will invest in non-profits in the following areas: civic innovation, health and nutrition, leadership and entrepreneurship and faith-based initiatives primarily in South Florida.

Jeff has also served on an array of boards including Delray Medical Center, Lynn University, Business Development Board of Palm Beach County, Tourist Development Council of Palm Beach County, Hyperponic, Greater Delray Beach Chamber of Commerce, Achievement Center for Children and Families and Leadership Florida Council of Advisors.

He is the author "Adventures in Local Politics" which was recently re-released by 3L Publishing. He is working on two other book projects.

He and his wife Diane have four children and reside in Delray Beach.



DIANE R. COLONNA, AICP, FRA-RA

Diane Colonna has more than thirty-five years experience in public sector planning and redevelopment in the south Florida area. Early in her career she managed the City of Hollywood's Housing Rehabilitation Grant Program, and later became Zoning Supervisor for the City's Growth Management Department. She was employed as Assistant Director of Broward County's Housing Finance Authority, coordinating bond issues and grant programs to create affordable housing opportunities. Ms. Colonna worked with the City of Delray Beach for 23 years, as Planning Director and later as Executive Director of the CRA (Community Redevelopment Agency), and was a key player in the transformation of Delray's downtown from an economically distressed and blighted area to a thriving, popular urban center. She facilitated the redevelopment of the CRA's 2000-acre district, assembling property, negotiating development agreements, coordinating infrastructure projects, and implementing a variety of community-based initiatives. Under her supervision the CRA developed design guidelines for the central business district, established economic development incentives and arts-based initiatives, and created a nonprofit community land trust to provide permanently affordable housing.

As Senior Redevelopment Manager with the firm Redevelopment Management Associates (RMA), Diane was assigned full time as Executive Director of the City of Margate's CRA. She and her team implemented grant programs, public infrastructure projects, business promotion activities and special events, and negotiated an agreement for the development of a 36-acre City Center at State Road 7 and Margate Blvd.

Prior to her retirement Diane also served as Vice President of the consulting firm Community Ventures Inc., specializing in planning and redevelopment strategies. She attained the AICP (American Institute of Certified Planners) and FRA-RA (Florida Redevelopment Association-Redevelopment Administrator) designations. She has a Master of Public Administration from Florida Atlantic University and a Bachelor of Science from the Pennsylvania State University.

Delray Beach
Redevelopment Initiatives:
Turning Vision into Reality

- Jeff Perlman, former Delray Beach City Commissioner and Mayor
- Diane Colonna, former Delray Beach Planning Director and Community Redevelopment Executive Director

Downtown Delray Beach 1930's - 40's



- Hotel, retail shops, movie theater
- Atlantic Avenue developed as main street
- Winter home for artists and writers

Fast Forward to 1980's



***Delray
was
known as
"Dullray"***

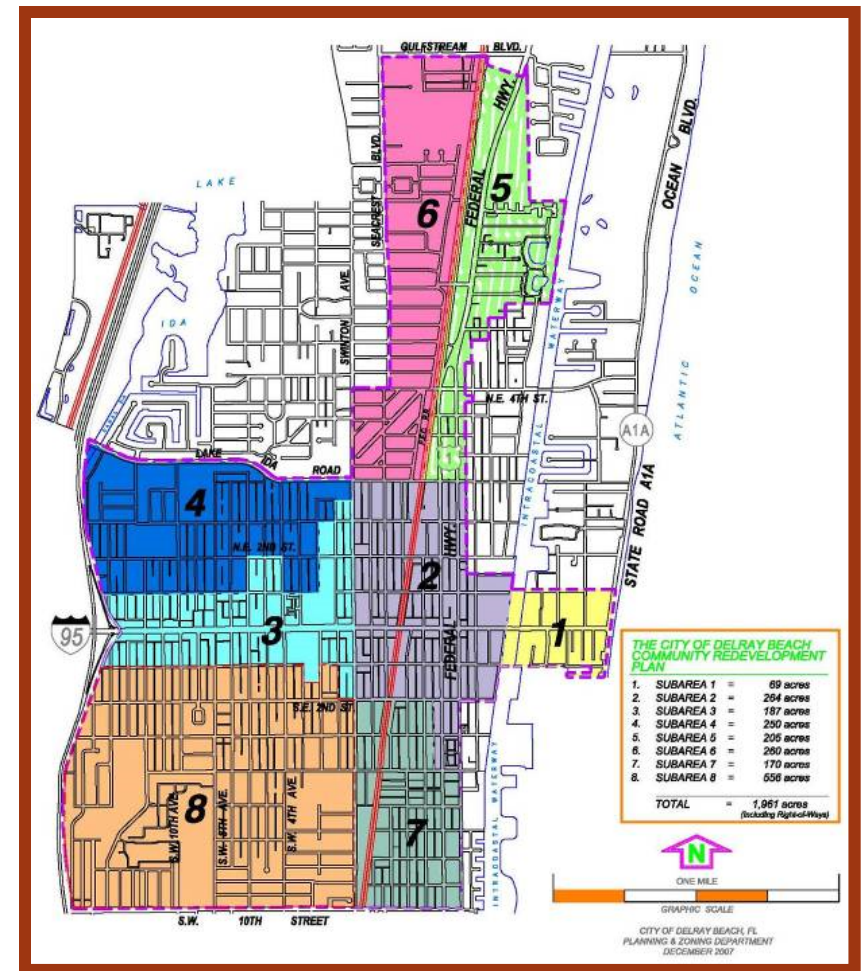


- Downtown fell victim to suburbanization
- Many vacant lots, blighted buildings --35-40% vacant storefronts
- Deteriorated infrastructure
- Inappropriate uses and depressed property values
- No nightlife or downtown housing
- Delray Beach was not competitive with neighboring cities

Delray Beach CRA

Conditions led to the creation of the CRA in 1985 under Chapter 163 part 3 of Florida Statutes.

- CRA District approx. 2,000 acres (1/5 of City)
- For more than 30 years was governed by 7-member volunteer board, appointed by City Commission; now governed by City Commission/citizen board
- Tax Increment Financing (TIFs) primary source of revenues
- Activities guided by CRA Plan



The Secret Sauce...

- Visioning
- Citizen Involvement (and buy-in)
- Relentless focus on implementation
- Political Will to Stay True to the Vision

Delray Beach Visioning Process

In 1988, Delray Beach conducted an American Assembly process called “Visions 2000”, which developed a shared set of goals for the city.

- 100+ citizens representing the City’s diverse population participated
- Identified Community Character: “Village by the Sea”
- Emphasis on downtown revitalization, cultural and educational resources
- CRA was to play a role in implementing the adopted vision

- This citywide Visioning event led to other community visioning processes for specific planning areas and special projects.
- Citizen involvement and participation provides a base of support for plans and projects.
- Gives governing bodies a “North Star” to follow when evaluating development proposals and new City projects. A way to say yes...and an elegant way to say no.

Community participation can be messy and time consuming, but it's critical.

What follows is a sampling of projects that have a common theme.

They were borne from a community visioning process...many were opposed by people who didn't bother to participate but...we did it anyway (with strong support from the broader community).

Most people liked the finished product. We took a holistic approach to community building—always keeping the North Star big picture front and center.

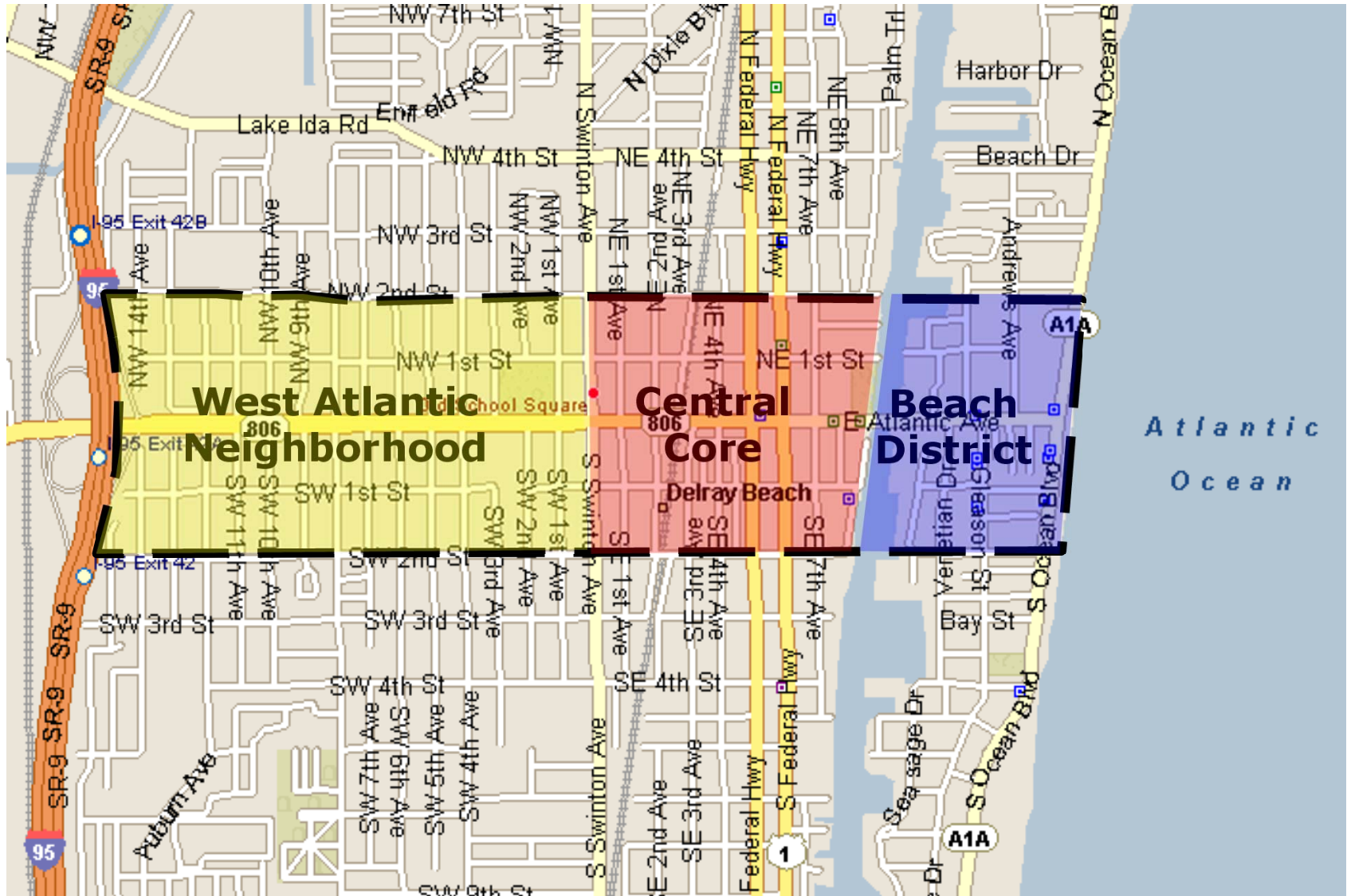
Street Beautification – Atlantic Ave

- First major downtown project was the beautification of “main street” Atlantic Avenue.
- Catalyst for project was FDOT plan to widen avenue for hurricane evacuation- proposed elimination of on-street parking
- Merchants objected strenuously—Atlantic Ave Task Force created to object to FDOT’s plans and work out an alternative
- City created bypass system to handle evacuations, and agreed to take over maintenance responsibility of 5-block section of roadway from FDOT. In return, City kept on-street parking and was allowed more flexibility in design

Street Beautification – Atlantic Ave



Downtown Master Plan



US 1 Corridor Enhancement Project

- Problems with accidents and speeding, dangerous for pedestrians
- Plan was to remove one travel lane in each direction for 18 blocks – add bike lanes, landscaping, wider sidewalks
- Controversial – community was skeptical of data that showed the reduced lanes could handle current and future traffic volumes
- Held numerous public meetings, met with businesses to address concerns
- City implemented a temporary trial – resulted in lower speeds & fewer accidents, no significant travel delays
- Permanent improvements were implemented



Affordable Housing

“Development without Displacement”

- Residents very concerned about potential displacement as a result of redevelopment.
- Committee analyzed a number of options and programs
- Created Delray Beach Community Land Trust
- CRA acquired and renovated several multi-family buildings for affordable rental units
- CRA worked with City on Workforce Housing Ordinance—density bonuses in exchange for affordability



W. Atlantic Ave Beautification and Gateway Feature



CRA Property Acquisition and RFP Process

- Need to provide opportunity for public input at the beginning of the process.
- Get as much consensus as possible on desired uses. Balance community objectives with market realities.
- Make sure RFP is clear regarding expectations and ranking criteria.
- Evaluate proposals in terms of stated criteria. Selection process should be fair and transparent—will build trust and credibility



Take-aways and other thoughts

- Should have strategy for implementing vision, budget should be aligned with goals to ensure funding
- Put some wins on the board and celebrate.
- Community visioning establishes blueprint for redevelopment, gets buy-in and builds support for plan
- Big financial incentives weren't available in the early years-not enough TIF. Biggest incentive was having an exciting vision for the future and proving to the investment community that we would follow through.
- Overarching Lesson: You are never done. Visions need to be refreshed and flexible without compromising core principles.

Questions?



CRA BOARD MEETING OF: May 21, 2022

WORKSHOP #2 - BALANCING PRIORITIES AND NEEDS AND AFFORDABLE HOUSING

AGENDA ITEM: 6.B.

SUBJECT:

Statewide and Local Affordable Housing Initiatives - Suzanne Cabrera, President & CEO of the Housing Leadership Council

SUMMARY:

The speaker bio is provided as Attachment I, along with their presentation as Attachment II.

ATTACHMENTS:

Description

- ▢ **Attachment I - Suzanne Cabrera Bio**
- ▢ **Attachment II - Presentation**
- ▢ **Attachment III - PBC's Housing Action Plan from Suzanne Cabrera's Presentation**

[DONATE NOW](#)[HOME](#)[ABOUT US](#)[GET INVOLVED](#)[EVENTS](#)[NEWS](#)[RESOURCES](#)[HOUSING PLAN](#)[COVID-19](#)

Suzanne Cabrera – President & CEO – Housing Leadership Council of PBC, Inc.



Suzanne Cabrera is the President & CEO of the Housing Leadership Council of Palm Beach County (HLC). The HLC is a non-for-profit, 501(c)(3) organization founded in 2006 by community and business leaders to address workforce/affordable housing issues. The organization is an action-oriented coalition of businesses, civic, and community leaders working to increase the availability and attainability of housing for the areas workforce. Specifically, Ms. Cabrera works on the

development and preservation of affordable/workforce housing including financing of projects through private and public sources and addressing regulatory barriers that increase the cost of housing. As part of this effort, the HLC convenes a wide variety of public, private, non-profit, and municipal partners including business executive, developers, lenders, CRAs, CDCs, housing authority, as well as local, state, and federal agencies to develop housing strategies and form collaborative partnerships to implement policy and funding initiatives.

The HLC formed several successful consortiums, including the Lake Worth CRA Consortium which received a \$23.3 million dollar NSP2 Award and the South Florida CLT Network which received funding over \$500,000 from SIF, Ford Foundation, and Cornerstone. Ms. Cabrera's has extensive experience in writing and administering federal, state, and local grants including NSP, CDBG, ESGP, ESP, and FEMA. She has written grants resulting in over \$50 million in successful awards.

With over 30 years of experience in the field, she has a wealth of knowledge in the area of workforce/affordable housing. Prior to joining the HLC she served as Executive Director of The Lord's Place, a non-sectarian, non-profit agency which serves the poor and homeless. During her tenure with that agency she started a number of housing initiatives including securing an initial \$1.2 million HUD grant and \$4 million in private funding for the construction and endowment of a 38 unit multi-family housing complex. Prior to that she served as the Executive Director of Hibiscus Children which provided shelter for abused and neglected children and family services for families at risk.

Ms. Cabrera's professional volunteer roles includes current member of the Florida Housing Coalition Board of Directors serving as a statewide representative. Locally she was a member and past chair of the Palm Beach County Commission on Affordable Housing, chair of the West Palm Beach Affordable Housing Committee, executive member of the Affordable Housing Collaborative, member of the Homeless Advisory Board Housing and Advocacy committees. Cabrera frequently speaks on housing issues at the local, state, and national level.

Ms. Cabrera was a member of Leadership Palm Beach County Class of 2003 and served on that organization's board for 5 years. She has also been involved in the local Association for Fundraising Professions serving as the chapter president as well as numerous other leadership roles. She was awarded the CFRE (Certified Fundraising Executive) designation in 1994. She is active with her local community and volunteers for numerous community boards.

She received a Bachelor of Science degree from St. Lawrence University with a double major in biology and chemistry and did graduate work at McGill University. She resides in West Palm Beach, Florida with her husband, Maurice, an aerospace design engineer with Aerojet Rocketdyne and her twins Alex, who attends FSU, and Rachel who attends USF and is a Midshipman in the Navy ROTC.

Donate to HLC:

Partner with the Housing Leadership Council today. Download our [partnership form](#) or [DONATE NOW](#)

Thank You to Our Partners

[JPMorgan Chase & Co.](#)

[Freddie Mac](#)

[BankUnited](#)

[Wells Fargo](#)

[Community Foundation](#)

[Great Charity Challenge](#)

Accreditations



Donate to HLC

Help HLC find affordable housing for Palm Beach County residents.

[DONATE NOW](#)

Address: 2101 Vista Parkway, Ste. 258
West Palm Beach, FL 33411

Phone: [561-653-4107](#)



State and Local Funding Sources

State Resources – Sadowski Housing Trust Fund

In 1992, doc stamps on all real estate transactions were increased with the funds from this increase going to the State Housing (Sadowski) Trust Fund.

This system was well designed because when the market is active, more funds are collected so housing resources are available even when housing is less affordable due to a hot market. Unfortunately the legislature started sweeping funds for other purposes. Over \$2B has been swept to general revenues.

- Under the plan, 70% of the funding collected goes back to local Counties and municipal entitlement jurisdictions.
- Funds are spent according to a Local Affordable Housing Plan (LHAP) which is developed at the local level with community input. These plans must be updated frequently which allows the funds to be flexible and adapt to local conditions and needs.
- Funds can be used for homelessness up to moderate income individuals. They can be used on subsidy (front and backend), renovation, rehabilitation, retrofit and other housing needs specified in the Local Affordable Housing Plan.

Final Budget FY 2022-23

Appropriation of Housing Trust Fund Monies

	GOVERNOR FY 22-23	SENATE FY 22-23	HOUSE FY 22-23	Current BUDGET FY 22-23	FINAL BUDGET FY 21-22
FHFC: SAIL & other FHFC Line 2289	\$94,967,332	\$128,250,000	\$0	\$28,250,000	\$62,500,000
SHIP Line 2290	\$220,526,178	\$209,475,000	\$268,100,000	\$209,475,000	\$146,700,000
Homeownership Program for Workforce Housing Line 2289 Proviso	\$40,000,000	\$0	\$0	\$100,000,000	\$0
TOTAL HOUSING	\$355,493,510	\$337,725,000	\$268,100,000	\$337,725,000	\$209,200,000

Proviso/Back of the Bill:

- \$100 million for FHFC for the Hometown Hero Housing DPA Program
- \$25 million of non-recurring General Revenue for SAIL, bringing total to \$53,250,000
- **Total housing = \$362,725,000**

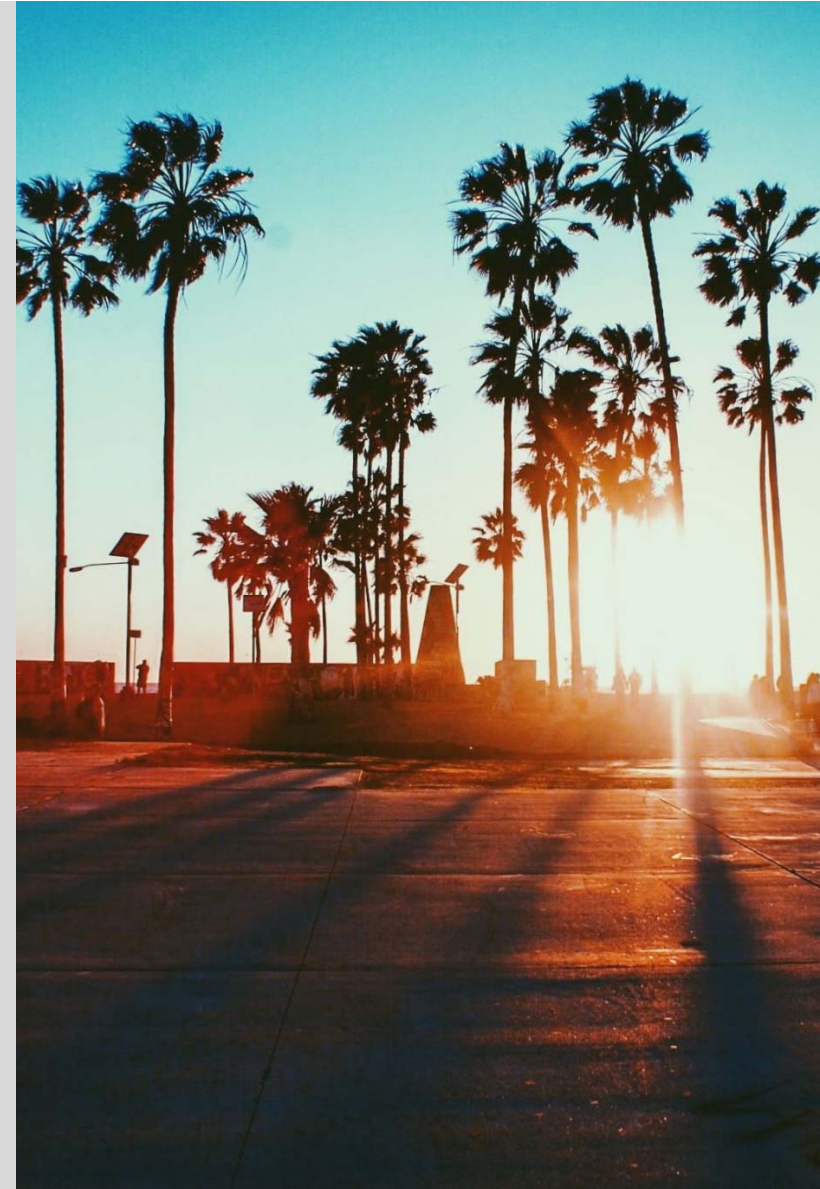
Projected SHIP 2022-2023			SHIP allocation based on current budget offers including estimated Catalyst proviso		
Local Government	County Total	County Share/ City Share	Local Government	County Total	County Share/ City Share
ALACHUA	2,727,242	1,348,894	FRANKLIN	350,000	350,000
Gainesville		1,378,348	GADSDEN	422,177	422,177
BAKER	350,000	350,000	GILCHRIST	350,000	350,000
BAY	1,710,115	1,377,327	GLADES	350,000	350,000
Panama City		332,788	GULF	350,000	350,000
BRADFORD	350,000	350,000	HAMILTON	350,000	350,000
BREVARD	5,923,030	3,259,444	HARDEE	350,000	350,000
Cocoa		188,945	HENDRY	398,118	398,118
Melbourne		823,893	HERNANDO	1,896,694	1,896,694
Palm Bay		1,179,275	HIGHLANDS	987,914	987,914
Titusville		471,473	HILLSBOROUGH	14,282,575	10,527,686
BROWARD	18,724,131	3,308,555	Tampa		3,754,889
Coconut Creek		554,234	HOLMES	350,000	350,000
Coral Springs		1,288,220	INDIAN RIVER	1,553,651	1,553,651
Davie		1,016,720	JACKSON	464,293	464,293
Deerfield Beach		833,224	JEFFERSON	350,000	350,000
Fort Lauderdale		1,782,537	LAFAYETTE	350,000	350,000
Hollywood		1,473,589	LAKE	3,846,660	3,846,660
Lauderhill		713,389	LEE	7,499,839	4,690,399
Margate		561,724	Cape Coral		1,931,959
Miramar		1,303,200	Fort Myers		877,481
Pembroke Pines		1,636,489	LEON	2,841,590	936,588
Plantation		887,524	Tallahassee		1,905,002
Pompano Beach		1,084,127	LEVY	422,177	422,177
Sunrise		932,462	LIBERTY	350,000	350,000
Tamarac		694,665	MADISON	350,000	350,000
Weston		653,472	MANATEE	3,942,950	3,401,583
CALHOUN	350,000	350,000	Bradenton		541,367
CHARLOTTE	1,824,463	1,636,543	MARION	3,660,081	3,043,357
Punta Gorda		187,920	Ocala		616,724
CITRUS	1,499,478	1,499,478	MARTIN	1,535,593	1,535,593
CLAY	2,131,391	2,131,391	MIAMI-DADE	16,667,017	10,990,231
COLLIER	3,678,139	3,493,864	Hialeah		1,375,029
Naples		184,275	Miami		2,743,391
COLUMBIA	668,930	668,930	Miami Beach		505,011
DE SOTO	356,001	356,001	Miami Gardens		686,681
DIXIE	350,000	350,000	North Miami		366,674
DUVAL	9,744,730	9,744,730	MONROE	807,336	807,336
ESCAMBIA	3,106,401	2,584,836	NASSAU	897,625	897,625
Pensacola		521,565	OKALOOSA	2,047,157	1,845,921
FLAGLER	1,156,435	258,926	Fort Walton Beach		201,236
Palm Coast		897,509	OKEECHOBEE	380,060	380,060

Local Government	County Total	County Share/ City Share
ORANGE	13,957,590	10,946,938
Orlando		3,010,652
OSCEOLA	3,900,833	3,123,397
Kissimmee		777,436
PALM BEACH	14,396,923	10,303,877
Boca Raton		940,119
Boynton Beach		775,994
Delray Beach		642,103
Wellington		591,714
West Palm Beach		1,143,116
PASCO	5,525,814	5,525,814
PINELLAS	9,239,167	4,817,302
Clearwater		1,128,102
Largo		795,492
St. Petersburg		2,498,271
POLK	7,174,853	5,568,404
Lakeland		1,116,407
Winter Haven		490,042
PUTNAM	717,102	717,102
ST. JOHNS	2,733,243	2,733,243
ST. LUCIE	3,256,864	742,239
Fort Pierce		460,195
Port St. Lucie		2,054,430
SANTA ROSA	1,854,577	1,854,577
SARASOTA	4,237,875	3,706,445
Sarasota		531,430
SEMINOLE	4,580,918	4,580,918
SUMTER	1,294,841	1,294,841
SUWANNEE	422,177	422,177
TAYLOR	350,000	350,000
UNION	350,000	350,000
VOLUSIA	5,399,410	3,779,047
Daytona Beach		710,562
Deltona		909,801
WAKULLA	356,001	356,001
WALTON	759,219	759,219
WASHINGTON	350,000	350,000
TOTAL	203,911,400	203,911,400
DR Holdback		5,000,000
Catalyst		563,600
Total appropriation		209,475,000



Palm Beach County Housing Plan

Palm Beach Housing Steering
Committee



Palm Beach County Affordable Housing Needs Assessment



Palm Beach County *Affordable Housing Needs Assessment*

February 2021

FIU
Jorge M. Pérez
Metropolitan Center

THLC
HOUSING LEADERSHIP COUNCIL
OF PALM BEACH COUNTY

The Plan: Focus Areas

Funding & Financing

Planning & Regulatory Reform

Neighborhood Revitalization

Racial Equity

Funding & Financing

A series of bond issues totaling \$200 million with the goal of producing 20,000 units of affordable and workforce housing over the next 10 years.

Revenue: \$10,000 per unit to be leveraged with other funding sources:

- Housing Finance Authority
- Community Redevelopment Agencies
- Local Government Contributions
- Expansion of the County Workforce Housing Program
- Impact Fee Credits
- Reduced Real Estate Tax Assessment

BONDS



Bond Structure: Two Options

A bond is a loan that pays investors a fixed rate of return over a specific time frame.

General Obligation Bonds:

- Repaid through ad valorem taxes. Must be approved by referendum.

Revenue Bonds:

- Backed by a specific stream of revenue other than ad valorem taxes. May or may not require a referendum.

Palm Beach County 2022 Adopted Budget

Debt Service

Fiscal Year	General Obligation	Non Self-Supporting Revenue	Self-Supporting Revenue	Total County Debt
2022	\$ 10,895,900	\$ 75,227,806	\$ 16,053,673	\$ 102,177,379
2023	10,894,000	75,150,728	16,056,773	102,101,502
2024	6,956,800	68,546,690	15,972,636	91,476,125
2025	6,960,450	68,450,041	15,976,261	91,386,752
2026	3,450,500	54,940,148	15,974,768	74,365,416
Future	-	468,898,735	166,290,622	635,189,357
Total	\$ 39,157,650	\$ 811,214,148	\$ 246,324,733	\$ 1,096,696,532



Loans to fund multifamily rental housing

Gap financing



Loans to fund owner occupied housing

Gap financing to developers

Down payment assistance to home buyers

Bond Proceeds: Potential Uses

Planning & Regulatory Reform



Allow more density & uses



Waive or decrease permitting
fees, impact fees & taxes



Expedite development
approval process

Neighborhood Revitalization



Revitalize disadvantaged communities through housing rehab, new construction & community redevelopment



Implement funding strategies to encourage homeownership and prevent displacement



Partner with non-profits & lenders

Racial Equity



Employ racial equity lens to all aspects of housing affordability



Provide legal support to heirs' property rights



Address inequities in assessed valuations in historically disenfranchised areas

Summary

Goal: Creation of 20,000 Workforce and Affordable Housing Units in the Next 10 Years.

Solution: Four Components

- Funding & Financing
- Planning & Regulatory Reform
- Neighborhood Revitalization
- Racial Equity



Housing is critical to Palm Beach County's economic resilience and the health and well-being of its residents.

For More Information:

Suzanne Cabrera

President & CEO, Housing Leadership Council of Palm Beach County

scabrera@hlcpcb.org - 561.653.4107

Thank You!

Questions/Discussion?



HOUSING FOR ALL

Palm Beach County's Housing Action Plan

Introduction

Palm Beach County has an affordable and workforce housing crisis. House prices and rents continue to escalate at a pace that far outstrips the increase in workforce income and hinders our businesses' ability to retain and attract workers.

This **PLAN** is a blueprint for how to achieve a significant increase in workforce and affordable housing.

Our **VISION** is sustainable access to financially feasible and diverse housing options available for the broad range of incomes representative of our workforce and community.

Our **GOAL** is to produce, rehabilitate and preserve 20,000 units of workforce and affordable housing by 2032.

Areas of Focus

- ▶ Funding and Financing
- ▶ Planning and Regulatory Reform
- ▶ Neighborhood Revitalization and Community Development
- ▶ Racial Equity

Affordable housing is not merely a laudable social goal; housing costs represent the single largest share of total household expenses for most American families. The remainder of household income drives spending patterns for local goods and services. As housing costs eat up more household income, consumer spending at local businesses suffers and general quality of life for our residents suffers.

The essential role of local government is to ensure that the people it represents have the opportunity to meet the basic need for shelter. A comprehensive and inclusive housing policy is essential to having

a functioning community. The availability of housing at all levels of affordability positively addresses the challenges of economic growth, attainable health care, food security, homelessness, crime and many of the concerns that government spends time and significant dollars trying to meet.

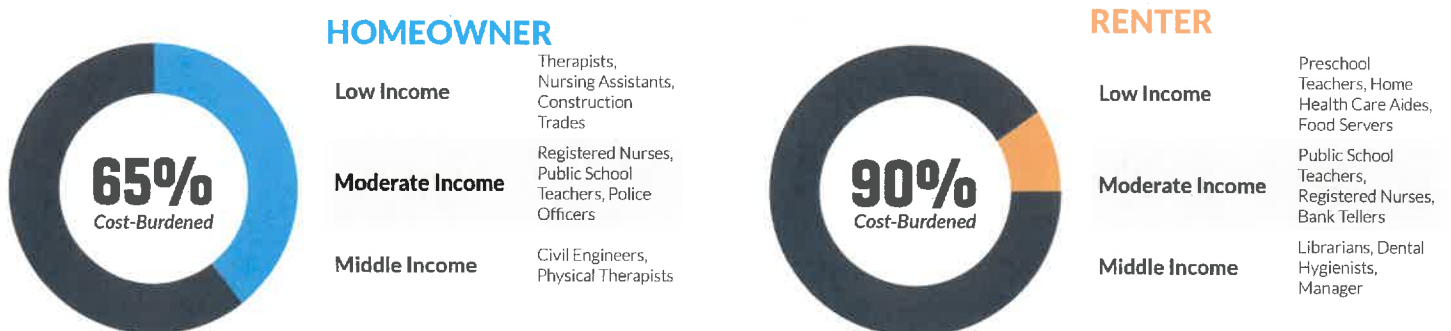
The growing income gap between households at the bottom of the income ladder and those at the top has accelerated over the last decade. Households in the top 20% of income have experienced a dramatic median household net worth increase, while those households in the bottom 20% now have a negative net worth.

Individuals and families with incomes that are less than 60% of Palm Beach County's AMI consume the majority of County government's expenditure of social service allocations. Those dollars can be more efficiently spent and ultimately reduced if we provide the opportunities to both create and preserve housing that they can afford. And it is the right thing to do!

Owning a home is the largest single asset investment held by most Americans — the cornerstone of upward economic mobility and wealth building for middle and low- income families. Figure 1, below, illustrates just how out of reach this has become for most residents of Palm Beach County. Even those making 40% more than median wage, such as Civil Engineers and Physical Therapists, are more than \$160,000 short of being able to buy an average home.

Rising rent makes the wealth building necessary to accumulate a down payment unattainable for most renters. The FIU study from 2021 shows that even renters who make 40% more than median wage, such as Librarians and Dental Hygienists, are more than \$400 short of what they can afford for an average rent every month.

Figure 1: What Occupations fall into these Income Categories?



Source, U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics for the Miami-Fort Lauderdale West Palm Beach MSA, May 2020

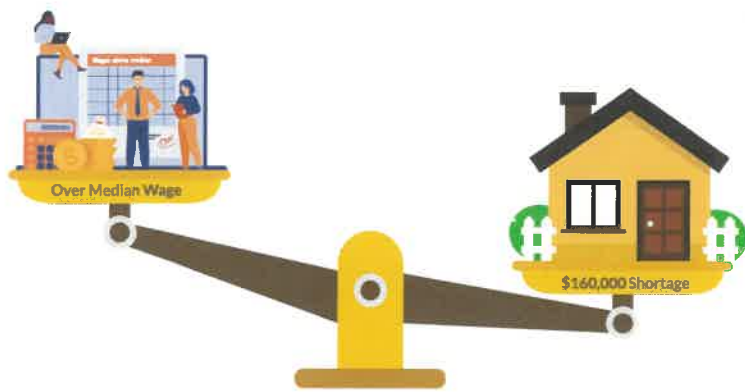


Figure 2

A lower housing cost-burden provides families with the opportunity to afford other vital services essential to quality-of-life, such as health insurance and preventative healthcare. Families on the margin of home affordability are often forced to choose between health care and paying the rent or mortgage, and a single unexpected health expense can throw a family into foreclosure or eviction. These negative impacts have worsened because of the COVID-19 pandemic.

For those who have grown up in Palm Beach County, high housing costs make the decision to stay difficult, given that wages are lower and housing costs higher than many other regions in the U.S.

High housing costs and a shortage of affordable first-time home buying opportunities can hamper regional talent retention, posing a threat to long-term economic development prospects in high-wage, high skill sectors.

Creating new opportunities for better paying jobs is a key factor to solving Palm Beach County's long-term affordable housing issues. Implementing a coherent workforce housing delivery system should, therefore, be an opportunity to accomplish the multiple goals of workforce housing delivery and new, high-wage job creation.

In order to build economic resiliency and sustain the County's strong economic growth, the County and its municipalities must offer a range of affordable housing options. This will require leaders to learn the root causes that created these gaps, then focus resources on narrowing the gaps. A resilient housing market will yield a quantifiable economic output, including job creation, increased tax revenues, and numerous indirect benefits to related businesses. There is a clear relationship between the production of affordable housing, revitalizing neighborhoods, and attracting new businesses. Using an equity lens equips leaders with the awareness that revitalizing neighborhoods requires that residents can afford to live in their communities and are not adversely impacted by gentrification.

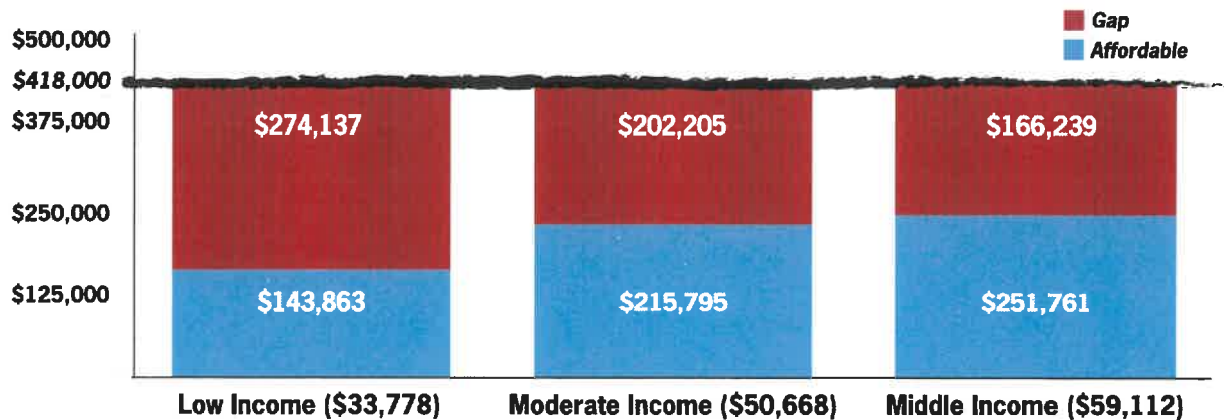
Unfortunately, escalating housing prices are significantly impacting Palm Beach County's working families and households. Most working families and households earn salaries and wages in service sector occupations, including retail trade, leisure and hospitality, and educational and health services. The majority (57 percent) of these low-wage service sector occupations have hourly wages that translate to workers earning 40-60 percent of the County's median household income. The FIU Affordable Housing Needs Assessment found more than 65 percent of owners and 90 percent of renters in these income categories pay more for housing than they can afford (Figure 3). This limits the choices of most service sector working households and families to affordable rental housing opportunities, where available.

The availability of a range of affordable housing options is one of the most important community and economic development issues facing communities. The high rate of resident turnover, the loss of professionals, skilled workers, and key wage earners damages the local economy. Providing housing for a mix of income groups helps retain and attract workers from various backgrounds and skills.

Access to affordable housing is a key component in the social determinants of health. Education outcomes, food insecurity, limited access to health care services, and community engagement are all adversely affected by the cumulative stress generated by inadequate housing and financial support. However, when the social determinants of health are addressed comprehensively, the local economy is more resilient to macroeconomic cycles like last decade's Great Recession and the current COVID-19 pandemic.

Affordable workforce housing options that consume no more than the recommended 30% of an individual's gross monthly income allows families to have the ability to reinvest in themselves by way of engaging in more preventative health care for their household, being more engaged with their children's academic journey, giving back to the revitalization of their communities to promote more social engagement and establish a generational pathway to financial stability through homeownership. A spectrum of housing choices and opportunity also helps maintain a steady stream of new small businesses, entrepreneurs, and jobs required to sustain a healthy local economy.

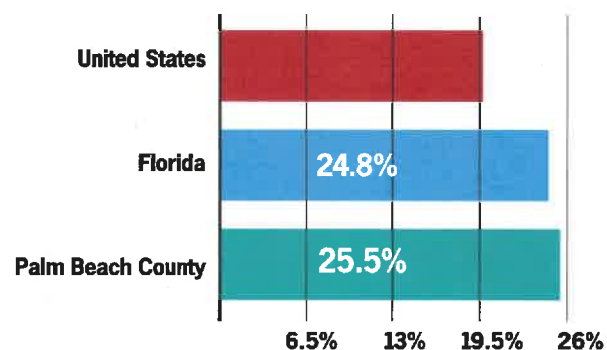
Homeownership Affordability Gap



Source: Murray, N., Ilcheva, M., Zyryanova, N., (February, 2021) Palm Beach County Affordable Housing Needs Assessment. FIU Jorge M. Perez Metropolitan Center.

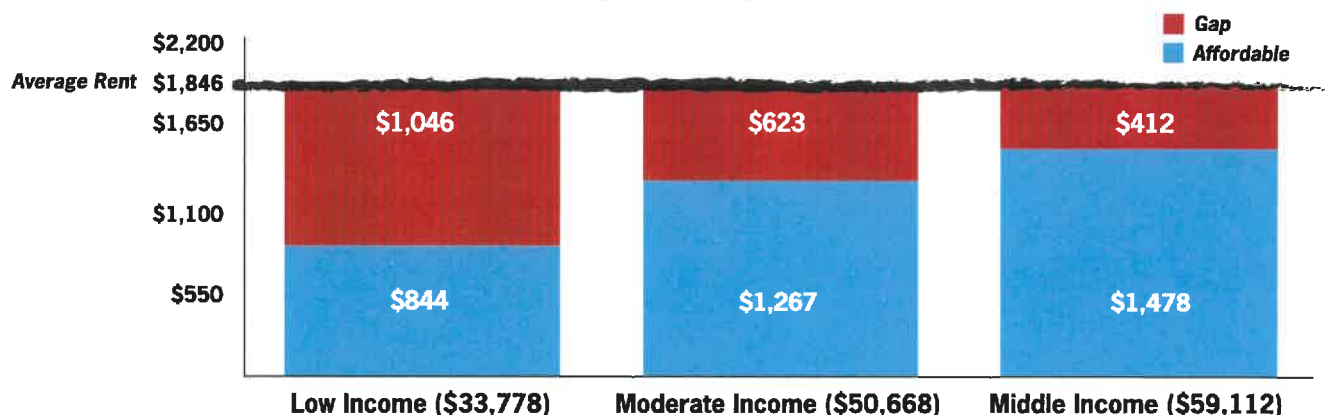
Further, an understanding of the shifting demands for housing is critical for the creation of effective housing policies and strategies. The increasing demand for worker housing has magnified the importance of providing a wide range of owner and renter choices and opportunity with respect to affordability, location, and access to jobs. As such, implementing workforce and affordable housing policies and programs will provide an opportunity to accomplish the multiple goals of affordable housing delivery, job creation, and economic resiliency.

Annual Increase in Home Prices 2020-2021



Source: Federal Housing Finance Agency. House Price Index

Renter Affordability Gap



Source: Murray, N., Ilcheva, M., Zyryanova, N., (February, 2021) Palm Beach County Affordable Housing Needs Assessment. FIU Jorge M. Perez Metropolitan Center.

Table of Contents

AREAS OF OPPORTUNITY **6**

Funding & Financing 6

Background 6

Initiatives & Actions 7

Planning & Regulatory Reform 9

Background 9

Initiatives & Actions 10

Neighborhood Revitalization & Community Development 11

Background 11

Initiatives & Actions 13

Racial Equity

Background 15

Initiatives & Actions 16

ADMINISTRATION AND IMPLEMENTATION **15**

APPENDICES **17**

Appendix A - Credits 17

Appendix B - FIU Affordable Housing Needs Assessment & Making Of This Plan 23

Appendix C - Bond Distribution Criteria Recommendations 24

Appendix D - Glossary 26

Appendix E - Sources 28

AREAS OF OPPORTUNITY

Funding & Financing

GOAL

To provide funding and financial resources that will be used to develop, rehabilitate, and preserve 20,000 units of workforce and affordable housing in Palm Beach County over the next decade.

INTRODUCTION

Due to the scale of Palm Beach County's housing affordability crisis, the County and its municipalities must identify additional public resources to improve the community.

Palm Beach County, economically strong and large, is a donor county that contributes substantially more revenue to the State than it receives from Tallahassee. Florida led the nation in innovative affordable housing funding programs when it established the State Housing Trust Fund under the Sadowski Act in 1992 with the SAIL and SHIP programs. But during the last 20 years, the share of funds devoted to housing has steadily declined as state legislators have shifted that Sadowski funding to other priorities. These State trends indicate the County must take action at home to protect the resiliency of the local economy.

The central recommendation of this Housing Plan is for our County to take control of its destiny through a \$200 million local bond issue to develop, renovate, and preserve workforce and affordable housing in the County and its municipalities.

SPECIFIC CHANGES AND RECOMMENDATIONS

Using the \$200 million bond program, plus the other recommendations of the Housing Plan, the creation of 20,000 units over a ten-year period would be targeted, equating to an average subsidy of \$10,000 per unit. In contrast, if the average subsidy were increased to \$40,000 per unit, then the number of units produced would dramatically decline, resulting in 5,000 units produced. In order for the \$200 million bond program to stimulate the creation of 20,000 units, an average subsidy of \$10,000 per unit is projected. This means that bonds are a necessary but insufficient component of the comprehensive funding plan. However, they are a critical catalyst. Addressing the present housing supply shortage in a meaningful way entails combining bond proceeds with other sources of funding, many of which already exist, to achieve a deeper level of income targeting for workforce housing. For a development to have fewer 140% AMI units (which may be near or at market rents), and more 80% AMI units than in Palm Beach County's traditional Workforce Housing Program ladder structure, bond proceeds will need to be paired with other public funding sources. These public funding sources will need to be leveraged with substantial amounts of private debt and equity.

Additional housing funding sources that could be combined with Housing Bond proceeds include the tax-exempt bonds issued by the Palm Beach County Housing Finance Authority (HFA), tax increment financing (TIF) through County and municipal community redevelopment agencies (CRAs), funds generated through the County workforce housing program payments and recycled proceeds from the Neighborhood Stabilization Program, municipal funding contributions and programs and as other sources as set forth below.

INITIATIVES & ACTIONS

Initiative One: Creation of a Local Dedicated Funding Source for Workforce and Affordable Housing

Action 1: Issuance of a \$200 million housing bond by Palm Beach County to fund subordinate low interest loans for construction and rehabilitation of workforce and affordable housing. These loan proceeds can be recycled when repaid upon sale or maturity, and leveraged with other sources of public and private financing.

Initiative Two: Combine Bond Proceeds with Other Public Funding Sources to Increase the Number of Workforce Housing Units and Achieve Deeper Income Targeting

Action 2: Leverage bond proceeds with tax exempt bonds issued by the Palm Beach County Housing Finance Authority, utilizing 4% housing tax credits to produce affordable housing.

Action 3: Develop workforce and/or affordable housing using tax increment financing by Community Redevelopment Agencies (CRAs).

Action 4: Encourage municipalities to provide a local government contribution towards the development of workforce and affordable housing.

Action 5: Promote the use of the Workforce Housing Program's Exchange Program to provide supplemental gap financing to produce workforce housing by connecting homebuilders with a County WHP obligation and developers producing workforce housing.

Action 6: Expand the use of funds from the County WHP Payment in-lieu funds beyond for-sale homes produced under the WHP program to all housing units throughout the County that meet income targeting criteria for workforce and affordable housing, no matter how production is funded.

Action 7: Expand the use of the County HFA supplemental fund to provide pre-development and construction financing for single family, duplex, triplex, townhome and small infill multifamily development.

Action 8: Encourage the County to use recycled Neighborhood Stabilization program funds to support homeownership and deeper income targeting in targeted neighborhoods for reinvestment. American Rescue Plan Act funds can both serve as a pilot and create a future supplement to bond proceeds.

Initiative Three: Utilize Other Financing Tools and Techniques to Promote the Production and Rehabilitation of Workforce and Affordable Housing

Action 9: Increase the current Impact Fee Credit Assistance Program from 50% to 100% of interest earnings, including school impact fees. Defer or waive impact fees for workforce and/or affordable housing development.

Action 10: Working with the County property appraiser's office, ensure an appropriate discount on ad valorem property taxes for all workforce and affordable housing projects with deed restrictions.

Action 11: Explore institution of a workforce and affordable housing tax abatement program.

Action 12: Create a lending consortium to issue revolving short-term loans for the cash purchase of housing units to be sold to income-eligible homebuyers.

Action 13: Create an initiative led by the Community Foundation to build and increase the staffing and capacity of those local nonprofits that support the provision of workforce and affordable housing.

Action 14: Identify social investors to create social impact funds to provide equity financing with lower return parameters for workforce housing projects.

Action 15: Continue offering density increases through the sale of Transferable Development Rights (TDRs) at a nominal rate for workforce and affordable housing.

Action 16: Continue annual appropriations for homeless initiatives by PBC local governments and increase capital funding to support additional homeless services.

Action 17: Encourage financial institutions to improve access to first mortgage financing for historically disinvested areas.

Action 18: Encourage financial institutions to make loans and investments that are consistent with the Community Reinvestment Act that support the development of affordable and workforce housing as well as investment in disinvested areas.

HOUSING BOND

Issuance of \$200 million in housing bonds is the first and most important action item of this plan. This section sets forth a proposal for implementation.

BOND ISSUANCE PROCESS

Palm Beach County Board of County Commissioners makes funding for affordable and workforce housing a priority by:

1. Issuing Special Revenue Bonds to fund affordable/workforce housing initiatives and making the funding of those a priority for the 2022/2023 budget year; and/or
2. Voting to place a General Obligation bond for housing on the ballot for November 2022.

COMMUNITY ENGAGEMENT & OVERSIGHT

The County, municipalities, the Business Development Board, the Economic Council, the Business Forum (i.e. Chambers of Commerce) and the Housing Leadership Council and nonprofits partner to engage and educate the community about the need for local action and the Bond referendum.

PROGRAM ADMINISTRATION

This plan, both for the bond and for the entirety of the Action Items within this document, is ambitious, and will require not only additional financial resources to fund the financial initiatives, but also additional staff resources to manage the administration of a more robust workforce housing program.



Planning & Regulatory Reform

INTRODUCTION

In addition to new funding tools, sustainable access to financially feasible housing for all residents of our community will require a review of and revisions to certain established planning and regulatory policies and practices of the County and its municipalities. Closing the deficit in new residential units between the current supply delivery of roughly 4,000 units per year and the 6,000 unit per year demand in Palm Beach County based on population growth and demographic trends will require substantive changes in regulatory policy and administrative protocol to spur the requisite increase in housing production, particularly for workforce and affordable housing units.

The objectives of any planning and regulatory reform should be to increase residential production by increasing density and expanding the developable footprint, while enhancing quality-of-life through incentivization of high-quality design and increasing the speed and efficiency of approvals and permitting. In a County in which there is an increasingly finite supply of vacant land, local governments must make more effective use of land available for density, and the most effective tool we have is to increase the areas zoned for a higher

level of residential density. This section of the Plan provides concrete recommendations as to how best to achieve the requisite increase in production.

Another major initiative is to expand the areas on which housing can be developed, both by changing the underlying land use of non-residential commercial properties while making surplus vacant and underutilized land available for the development of workforce and affordable housing. This is accompanied by additional recommendations to incentivize the increased production of workforce and affordable housing units while expediting development approvals and permitting. Collectively, the implementation of the following recommendations can facilitate the changes necessary to deliver more housing units — particularly more workforce and affordable units — to Palm Beach County.

OBJECTIVE

Promote policy and enact code provisions to enable faster approvals of innovative land use to allow greater production and increased, lower-cost, residential capacity for Palm Beach County and its municipalities.



INITIATIVES & ACTIONS

Initiative One: More Density

- Action 1: Amend municipal and county Land Development Codes to allow projects containing qualified units (workforce, affordable, and supportive housing) to create an individual development's property development regulations through the Planned Unit Development (PUD) process. Specify that in cases where disagreement exists between the Land Development Codes and the new PUD's property regulations, pursuant to an approved application, the PUD's property code prevails.
- Action 2: Permit the construction of Accessory Development Units (ADUs) by right for all existing properties approved for single-family residential units, and as a condition of approval for all residential developments without ADUs being counted for the purposes of land use density calculations.
- Action 3: Adopt inclusionary zoning principles to permit and incentivize the construction of higher-density home types such as cottage parks, attached townhomes and multi-plex (duplex and triplex) apartments as allowable for infill development in areas with land use designations that would otherwise prohibit their construction. Amend zoning and land use codes to eliminate minimum lot sizes per unit or dwelling unit sizes.
- Action 4: Amend County and municipal zoning and land use codes to redefine compatibility in a way that does not treat adjacent properties of different density or intensity of use as automatically incompatible. The County's Urban Redevelopment Area (URA) in central Palm Beach County provides a model of how these principles might be applied.
- Action 5: Amend County and municipal zoning and land use codes to permit a higher level of density, fewer required parking spaces and smaller parking spaces for transit-oriented residential development with bonus density available for projects that provide for workforce and affordable housing units.

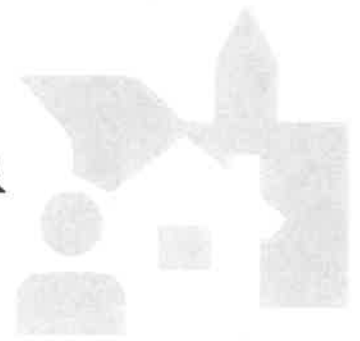
Initiative Two: Expand the Developable Footprint

- Action 6: Amend the permitted land use on nonresidential properties such as shopping centers, office buildings and other commercial uses to permit high-density residential use, with additional bonus density available for projects that contain workforce or affordable housing units. This will facilitate the redevelopment of sites with obsolescent or dated physical structures and promote more mixed-use developments. Explore changing the zoning for existing non-residential properties to a mixed-use designation that would permit high density residential so that a redevelopment would only have to go through a site plan approval process.
- Action 7: Work with community development organizations and land planners to anticipate possible development in western communities and The Glades. Develop Rural Township Development Area (RTDA) plans similar to the Urban Redevelopment Area (URA) plan adopted as part of the County's ULDC in 2005, including the creation of new underlying land use designations for parcels of land with high development potential.
- Action 8: Undertake an inventory of publicly owned land and classify as surplus property vacant or underutilized land that might be suitable for the development of workforce and affordable housing. The County and municipalities should provide an inventory of vacant land and County property holdings with underutilized land. This land may become surplus land at a future date. The County School District and Community Redevelopment Agencies throughout the County should conduct and publish a similar inventory of vacant or underutilized land.
- Action 9: Expand the applicability of the County's Workforce Housing Program to include all unincorporated areas of the County, subject to legal requirements relating to the offset of additional costs; encourage municipalities to enact comparable programs

Initiative Three: Increase the Speed of Processing Development Approvals and Permits

- Action 10: Expedite development approvals and permitting for workforce or affordable housing projects. Establish a designated project team in each jurisdiction that will shepherd and expedite the project through the approval/permitting process.
- Action 11: Develop a program where, during times of increased construction activity, County and municipal application review for development approvals and plan review for building permits can be processed for approval by trained and certified third-party private land planning and/or architectural or engineering professionals ("private providers"), to be reviewed and approved through an expedited process by municipal and County oversight at the appropriate office, department, or board.

Neighborhood Revitalization & Community Development



INTRODUCTION

A necessary element of any plan for Palm Beach County to increase the supply of quality workforce and affordable housing will be a focus on the revitalization of historically disinvested neighborhoods. Many of these neighborhoods are located in the eastern part of the County in a north-south corridor that roughly parallels Interstate 95 and the FEC railroad tracks. These neighborhoods have lower incomes and a higher percentage of minority residents than other portions of the County.

There are several reasons for this focus:

- ▶ In a county where land is increasingly scarce, these neighborhoods provide existing housing stock for rehabilitation, land for new housing, and redevelopment opportunities.
- ▶ Physical infrastructure – roads, utilities, drainage – are already in place.
- ▶ Their central location provides ready access to employment centers, shopping, schools and transportation.
- ▶ Addressing the development of these communities in a comprehensive way provides the best opportunity for increasing homeownership opportunities on a significant scale.

The first step in identifying neighborhoods to target for potential reinvestment is to identify them by traditional criteria: low-income census tracts, income levels, poverty rates, crime levels, etc. The second step is prioritizing a subset of these neighborhoods for targeted public and private investment based on the level of organization in the neighborhood – neighborhood associations, nonprofit entities, churches, business associations – so that any neighborhood revitalization effort rests on a secure foundation. The third step is to determine if the local government for the jurisdiction in which the neighborhood is located is committed to investing

in physical improvements in the neighborhood. One possible approach for local governments (and as part of the implementation of the Housing Plan) is to undertake a pilot program in one or two select neighborhoods in their jurisdictions to maintain focus, effectively channel resources and measure progress and results.

Any successful neighborhood revitalization program will require private investment that will build upon public investment in multiple phases. There will need to be local government investment to upgrade community infrastructure. The School District will want to prioritize investments in schools located in targeted neighborhoods. Local law enforcement will need to work closely with the community for improvements in public safety that will create a virtuous cycle of enhanced safety and further investment.

Once neighborhoods are identified, one of the first housing priorities will be to rehabilitate and repair existing housing (interior and exterior) in these neighborhoods. Public dollars must be made available for substantial rehabilitation (defined as costs more than 50% of assessed value) and there needs to be an established network of credible contractors willing and able to undertake this work. Lighter rehabilitation, repairs and improvements will also be encouraged and eligibility for existing assistance programs will be promoted.

A major priority will be increasing the supply of new housing in disinvested neighborhoods. This will involve securing vacant land as well as creating vacant land by clearing abandoned and dilapidated housing to provide the land required to increase production of new single-family housing, small-scale duplexes, triplexes and townhomes in select areas. It will also involve redevelopment opportunities in commercial corridors for multifamily housing. A crucial component to this effort will be to increase the supply of vacant land by having municipalities and the County identify publicly owned land that can be deemed surplus for the purpose of the



development of new workforce and affordable housing. This increase in the supply of publicly-owned vacant land should not be restricted to the selected neighborhoods.

Neighborhood revitalization should present promising opportunities for homeownership, especially for first-time homebuyers. A key element of the housing plan will be to encourage steps that will facilitate homeownership efforts in these neighborhoods and raise the percentage of homes occupied by principal homeowners in these neighborhoods. This section of the plan discusses several ways to facilitate home purchases.

Accomplishing the goals of this housing plan in these neighborhoods will require the commitment of local governments, businesses, lenders, neighborhood organizations, for-profit developers and nonprofit developers. One of the most effective force multipliers in increasing the scale of housing production and rehabilitation in disinvested neighborhoods will be to increase the capacity of nonprofit entities already operating in these communities.

One of the major challenges of any neighborhood revitalization effort will be to encourage reinvestment in underserved neighborhoods while trying to mitigate the displacement of existing residents who have a history in the area and would prefer to remain and reinforce positive trends in the community. This section of the plan makes specific recommendations regarding measures that are in place or that can be taken to minimize existing resident displacement. A comprehensive approach will also involve addressing the housing needs of the most low-income members of the community. Specific recommendations are advanced for forestalling evictions, preventing homelessness and increasing the supply of transitional and supportive housing.

A key element in targeting neighborhoods for revitalization will be the level of organization in the neighborhood and whether it is led by neighborhood associations, nonprofit entities, churches, local businesses, or other community organizations. This is the foundation on which any lasting neighborhood revitalization effort must build, and it is the key to a broad-based community development effort that will impact not only the particular neighborhood but also other similar neighborhoods. The organizations that are formed, the institutions that are built, and the leaders that emerge from a comprehensive community development will provide benefits that extend beyond housing and impact the quality of life in communities throughout Palm Beach County. It is hoped that the investment and activities stemming from this housing plan can serve as a catalyst not only in serving the very obvious housing needs of these communities but also can have a positive impact on the quality of life of its residents.

INITIATIVES & ACTIONS

Initiative One: Target Neighborhoods for Comprehensive Community Development

- Action 1: Identify target communities defined by governmental and non-profit agencies and through the use of criteria lists developed using information from census tracts, CDGB target areas, and infrastructure needs, or other observed indicators (i.e., dilapidated housing stock, lack of sidewalks, inadequate drainage, population income below median income or poverty level, food or digital deserts, lack of green space), level of existing community organization and involvement and local government commitment to physical improvements.
- Action 2: Develop a strategy, time frame and budget for neighborhood investment:
1. **Infrastructure:** Improvements can include road, curb and sidewalk paving and repairs, street lighting, storm drainage and flood control, trash removal, vacant land clearing and maintenance, tree planting and other beautification efforts.
 2. **Schools:** Partner with the School District to improve schools and school grounds and develop a more effective use of its facilities in historically disinvested areas.
 3. **Safety:** County and local law enforcement should work with neighborhood associations to implement a public safety strategy that will be most effective in these neighborhoods.
- Action 3: Identify or strengthen neighborhood associations with existing homeowners, tenants, and business owners and other interested parties – local government leaders, nonprofit agencies, developers – to facilitate communication about planning and implementing community development. Encourage the introduction of nonprofit intermediaries such as Purpose-Built, NeighborWorks, the Enterprise Foundation or Local Initiative Support Corporation when warranted.

Initiative Two: Upgrade Existing Housing in Targeted Neighborhoods

- Action 4: Working through the County and local governments, establish a program for the rehabilitation of existing housing in selected neighborhoods. Such programs would be financed through Housing Bond proceeds and existing funding sources. Existing rehabilitation programs, often organized through non-profit entities, should be utilized where possible. Local code enforcement officials should play a role in prioritizing selected properties for reinforcement, with an emphasis on single-family homes that serve as the primary residence of the owners.
- Action 5: Identify and engage absentee landlords with records of deferred maintenance and code enforcement action to bring about immediate improvements or transfer of the property. Provide accessible solutions and opportunities for education for owners and residents who may not have the knowledge or resources to correct deficiencies.
- Action 6: Encourage local governments, neighborhood associations, nonprofit entities and local business leaders to identify multifamily properties for purchase and rehabilitation, including naturally occurring affordable housing (NOAH) without current deed restrictions, to preserve affordable and workforce housing.

Initiative Three: Increase New Housing Production in Targeted Neighborhoods

- Action 7: Working with local governments, neighborhood associations and nonprofit entities, identify vacant lands in selected neighborhoods that can be developed for housing.
- Action 8: Encourage County and local governments to modify zoning regulations in disinvested neighborhoods that prevent the development of duplexes, triplexes, attached townhomes, accessory dwelling units and cottage homes that can increase density over traditional single family housing while still maintaining an appropriate smaller scale of development.
- Action 9: Promote the redevelopment of failing or vacant retail strip centers, office buildings, hotels, churches and storage centers as multifamily housing, particularly along commercial corridors that are conducive to more density in selected neighborhoods. Support local government, SBA programs and private efforts to facilitate commercial investment and establish new businesses in these neighborhoods, creating a positive dynamic in which more housing creates more commercial opportunities.
- Action 10: Identify government-owned surplus or potentially surplus land that can be repurposed for the development of workforce and affordable housing and neighborhood uses, such as health clinics or Head Start.

Initiative Four: Facilitate Homeownership Opportunities in Targeted Neighborhoods

- Action 11: Establish a short-term loan fund that enables nonprofit entities in a particular neighborhood to become an all-cash buyer for homes to facilitate availability to local first-time homebuyers.
- Action 12: Encourage use of Community Land Trusts (CLTs) to provide opportunities for home ownership at sustainably affordable prices for first-time homebuyers and lower-wage workers.
- Action 13: Improve access to first mortgage financing from regionally active lenders in underserved neighborhoods. Facilitate lender cooperation in coordinating this financing with second mortgage financing and down payment/closing cost assistance. Provide support to lenders and nonprofit organizations who provide financial counseling for prospective homebuyers and access to information regarding assistance programs.

Initiative Five: Support Nonprofit Developer Capacity to Improve Targeted Neighborhoods

- Action 14: Promote a major philanthropic initiative to increase the staffing and capacity of local non-profit developers (including those formed by housing authorities) and community land trusts to increase staffing and financial capacity so they can increase housing production and rehabilitation activities and cover predevelopment expenses from internal resources.

Initiative Six: Minimize Displacement of Existing Residents of Targeted Neighborhoods

- Action 15: Establish a program through neighborhood associations, nonprofit entities and local governments to ensure that homeowners take advantage of all available homestead exemptions and review assessments and tax bills.
- Action 16: Establish a rental assistance pool for existing residents of smaller-scale rental properties at risk of displacement from rapidly rising rents in selected neighborhoods.

Initiative Seven: Implement Housing Strategies Targeting Low- and Extremely-Low Income Individuals and Families Threatened With or Experiencing Homelessness

- Action 17: Adopt and implement the key principles of Leading the Way Home: Palm Beach County's Plan to End Homelessness, especially the goal to create 2,163 permanent supportive housing units within the next ten years.
- Engage Health/Primary Care/Behavioral Health Entities in Homeless Efforts
 - Expand Support Services
 - Increase Access to Permanent Supportive and Other Supportive Housing
 - Expand Engagement and Advocacy
 - Align Funding and Investments
 - Enhance Homeless System of Care
- Action 18: Engage and include interested key stakeholders in the integration of efforts with Palm Beach County's Plan to End Homelessness:
- Palm Beach County Homeless and Housing Alliance
 - Homeless Coalition of Palm Beach County
 - Lord's Place
 - Adopt-A-Family
 - Goodwill
 - Vita Nova
 - Other effective organizations and individuals
- Action 19: The County, working with local governments, and nonprofits, should establish an emergency housing relief fund to provide short-term rental assistance to enable low-income and extremely low-income individuals and families (below 50% AMI) to avoid eviction and remain housed, thereby avoiding homelessness.

Racial Equity

INTRODUCTION

Throughout Palm Beach County and Florida in general, housing inequity persists. The homeownership gap between whites and blacks is substantial, with 76 percent of whites being homeowners compared to 48 percent of blacks. Many historical factors have contributed to this, including lack of loan products for minorities, segregation, redlining, deed restrictions, and heirs' property issues. With the passage of the 1944 GI Bill, homeownership was a dream that many veterans looked forward to actualizing when returning home from WWII. But that dream was deferred for approximately 1.2 million Black veterans who were denied access to the program. Even after the 1968 passage of the Fair Housing Act, Black Americans and other minorities have continued to experience housing inequalities and may never recoup that compounding generational wealth. Compounding generational losses create a chasm that requires a concerted effort to narrow. Remaining challenges include changing credit requirements, insufficient resources for down payments, housing affordability and chronic renter burden.

Those in positions of power and influence directly impact their fellow residents' lives, health, and wealth. Housing insecurity is a key aspect in the social determinants of health, and the ripple effects of housing insecurity are manifest in higher instances of health concerns,

lower literacy, greater involvement with the criminal justice system, and higher levels of unemployment or underemployment.

When decisions are made by individuals who are far removed from the issues being resolved, it can often lead to the utilization of programs that have little to no impact. As a result, issues arise that exacerbate preexisting inequities. Social determinants of health are eroded when equity is not at the forefront of every conversation surrounding workforce and affordable housing and has to be intentionally embedded into each phase, rather than being seen as a separate spoke in the wheel. To fix inequities, we have to promote equity.

OBJECTIVE

Promote equity throughout the housing policy to end systemic inequities. Work to create awareness of the problem, its origins, barriers to action, and benefits of investing in solutions to gain support for the work to be done. Demonstrate the multidimensional nature of community problems and how concerns about affordable housing can create increased community engagement, decreased criminal activity, increased literacy rates, chronic illness reduction, increased property values and county-wide economic growth and resilience.



INITIATIVES & ACTIONS

Initiative One: Assessment Of Inequality In Neighborhoods And Identification Of Policies And Actions That Lead To Marginalization Of Neighborhoods.

Action 1:	Initiate a study that includes an assessment of housing and community stability in historically disinvested areas. The focus will be on neighborhoods that were subjected to redlining, physical barriers and other practices which had a negative impact on communities. FIU is contracted by HLC to do this study.
Action 2:	Measure lost generational wealth in neighborhoods subjected to redlining and other deleterious impacts such as deed restrictions as compared to neighborhoods that have been free of these historical impacts (FIU study).
Action 3:	FIU study will disaggregate data findings by income, race, ethnicity, gender, age, education, and occupation and determine the relationship with housing affordability.
Action 4:	Based on the findings of the equity assessment, develop programs that will address the identified housing funding and financing needs with an emphasis on educating residents to navigate the borrowing process.

Initiative Two: Community Engagement

Action 5:	Prioritize neighborhoods for engagement and assessment
Action 6:	Identify priority needs and challenges in these priority neighborhoods including low rates of owner-occupied units, rehabilitation/repairs, and infrastructure needs
Action 7:	Develop a list of resources to address challenges including homebuyer subsidy, rehabilitation/repair/replacement funds, code enforcement strategies and legal assistance.
Action 8:	Provide resources for low-income households to address legal issues related to homeownership (Heirs' Property Rights, decedents being intestate).

Initiative Three: Policy and Program Alignment

Action 9:	Encourage local governments to promote rental and home ownership opportunities, especially in historically disinvested neighborhoods.
Action 10:	Encourage local governments to participate in programs that will review policies to ensure that their actions are aligned to a high degree with equity and inclusion. "Close The Gap" is a two-year program collaborating with technical experts to develop an integrated plan to assist in these efforts. West Palm Beach is currently participating in this program.

IMPLEMENTATION AND ADMINISTRATION

Implementation and Administrative Objective

Implement a comprehensive process to identify solutions to the challenges that public and private organizations have in meeting the current and future housing needs of Palm Beach County. Actively track and promote municipal and community participation in the planning and growth of Palm Beach County.

Introduction

The Palm Beach County Housing Plan is an Action Plan. The recommendations of the plan must be accompanied by advocacy of those recommendations, and a process to measure the metrics that are a part of those recommendations. Without a process for implementing and administering the Housing Plan, it is unlikely that the goals of the Housing Plan will be realized. We propose that the Housing Steering Committee and its Housing Core Groups continue to provide oversight and guidance. We further propose that the Housing Leadership Council of Palm Beach County (“HLC”) be given the task of (i) establishing committees and working groups, from members of the Housing Steering Committee and other stakeholders, to advocate for the County, municipalities, lenders, employers and others to adopt the recommendations of the County Housing Plan, and (ii) monitor and provide periodic status reports on the progress that is being made toward the goals of the Housing Plan.

Actions:

A. Implementation — Funding and Financing Recommendations

1. Housing Steering Committee or subcommittee thereof to advocate for issuance of Bonds. Exactly what that entails will be determined once it is determined whether the Bonds will be general obligation and/or revenue bonds.
2. Bond Issue and other funding sources either funded by Palm Beach County or administered by Palm Beach County — Palm Beach County Department of Housing and Economic Sustainability to develop RFPs

and applications for funding, criteria for evaluating proposals and procedures for disbursement of funds consistent with the recommendations in the Funding and Financing element of the County Housing Plan.

3. If the Bonds are revenue bonds as opposed to general obligation bonds, the Housing Steering Committee will evaluate and make recommendations to the County regarding what an appropriate municipal contribution should be for housing developed in that municipality.

4. Funding sources either funded by municipalities or administered by municipalities (including CRA's): Each municipality to develop RFPs and applications for funding, criteria for evaluating proposals and procedures for disbursement of funds consistent with the recommendations in the Funding and Financing section of the County Housing Plan.

5. Palm Beach County Planning and Zoning Department to continue to administer the WHP / Inclusionary Zoning Program consistent with the recommendations in the Funding and Financing section of the County Housing Plan.

B. Implementation – Planning and Regulatory Reform Recommendations

1. Best Practices - The Planning and Regulatory Core Group of the Housing Steering Committee will develop a series of “best practices” to best implement the recommendations of the Planning and Regulatory Reform section of the Housing Plan.
2. Form a subcommittee for each of the 15 largest municipalities in the County to advocate for the recommendations in the Planning and Regulatory Reform section of the Housing Plan. These committees will be created by the HLC, and will consist of local residents, stakeholders, planning professionals, representatives of Palm Beach County, Housing Steering Committee members and, where possible, staff and/or elected officials of each municipality.

C. Implementation – Neighborhood Revitalization and Community Development Recommendations

1. The Neighborhood Revitalization and Community Development Core Group of the Housing Steering will (a) develop a methodology for identifying the specific communities where the County Housing Plan will initially focus its efforts, based on the criteria set forth in the Neighborhood Revitalization and Community Development section of the Housing Plan, and (b) use that methodology to identify those specific communities.

2. For each community, the HLC will identify and engage one or more community leaders to head up a committee of diverse membership (which hopefully will include elected officials and/or government staff) to (a) advocate to government the recommendations of the Neighborhood Revitalization and Community Development section of the Housing Plan that can be implemented by government, (b) work with the HLC to identify and advocate to non-governments the recommendations of the Neighborhood Revitalization and Community Development element of the Housing Plan that can be implemented by non-governments, and (c) where a combination of government and non-government are required, establish public-private partnerships.

D. Implementation – Racial Equity Recommendations

1. Conduct a voluntary base line assessment of community-based organizations that serve the priority areas to identify community trust and concerns in order to measure future improvement from the Housing Plan implementation.

2. Provide ongoing public engagement, accessible in multiple languages, to create trust and transparency for the Housing Plan implementation.

E. Administration - Appointment of one County employee responsible for oversight and administration of all of the County's affordable and workforce housing programs. Major municipalities should consider taking similar action.

1. HLC to establish a program to monitor progress and specific benchmarks.

2. HLC to regularly monitor and evaluate the Housing Plan and implementation to ensure that the objectives are met.

3. HLC and Housing Steering Committee to recruit stakeholder membership in committees and subcommittees.

4. HLC to monitor progress on specific actions recommended by the Housing Plan.

5. HLC to provide annual report on progress and success stories.

6. HLC to produce workshops and information sessions to counter unfounded neighborhood objections to affordable and workforce housing.

7. HLC to create and maintain a website that promotes affordable and workforce housing and tells success stories.

8. HLC to provide community-wide outreach to explain the Housing Plan and how it benefits the community.

Funding of Implementation and Administration of Plan – The County and municipalities will pay an annual fee to compensate the HLC for the services it will provide.



APPENDICES

A. Credits

PALM BEACH COUNTY HOUSING PLAN

MORRIS G. "SKIP" MILLER,

PBC HOUSING PLAN CHAIR

STEERING COMMITTEE PARTICIPANTS

Carlos Alleyne	Joel Engelhardt	Lisa King	F. Martin Perry
Sammy Alzofon	Shirley Erazo	Jim Knight	Shelly Petrolia
Jesse Bailey	Jonathan Evans	Taniel Koushakjian	Amy Pettway
Verdenia Baker	Mary Evans	Jan Kranich	Sergio Piedra
Cheryl Banks	Terri Ferguson	Ezra Krieg	Tatiana Pumphrey
Mary Lou Bedford	Jennifer Ferriol	Parisa Hamzetaash	Amanda Radigan
Jim Bell	Kara Ferris	Margaret LaCalle	Daniel Ramos
Maria Bello	Pat Fitzgerald	Gonzalo La Cava	Beth Rappaport
Juanita Bernal	Lois Frankel	Cindee LaCourse-Blum	Kevin Ratterree
Mack Bernard	Patrick Franklin	Tom Lanahan	Chuck Ridley
Derrick Berry	Gionni Gallier	Lori LaVerriere	Mercedes Rodas
Katrina Blackmon	Maxine Gayle	Marcus Laws	Myrna Rosoff
Jodie Boisvert	George Gentile	Wesley Ledesma	Barbara Roth
Julie Botel	Lesley George	Austin Lee	Michael Rumpf
David Brandt	Anne Gerwig	Matthew Leger	Janice Rutan
Jonathan B. Brown	Dodi Glas	Rachelle Litt	Patrick Rutter
Sherry Brown	Kim Glas-Castro	Joseph F. Lo Bello	Sal Saldaña
Fabiola Brumley	Craig Glover	Rocio Lopez	Christian Santa
Teesha Buddle	Felicia Goldstein	Jim Lyons	Mary Savage-Dunham
Debra Buff	Josephine Gon	Karen Lythgoe	Martin Schneider
Donald Burgess	Sam Goodstein	Domenick V. Macri, Sr.	Carlos R. Serrano
Charlotte Burnett	Emily E. Gorman	Denise Malone	Brian Seymour
Layren Calvo	Dorothy Gravelin	Sergio A. Mariaca	Caroline Shamsi-Basha
Leondrae Camel	Scott Hansel	Marsha Martino	Joyell Shaw
Aimee Carlson	Ryan Harding	Lindsay Mason	Joann Skaria
Natalie Carron	Omari Hardy	Chrystal Mathews	Kelly Smallridge
Tracy Caruso	Ross Harness	Hanna Matras	Carlton S. Smith
Genessa Casanova	Melinda Harstad	Teresa McClurg	Katy Smith
Rose Cesar	Don Hearing	Andrea McCue	Crystal Spears
Lynda Charles	Stephanie Heidt	Tammy McDonald	Adam Temple
Whitney Cherner	Daryl Houston	Arthur Menor	Ken Thomas
Phyllis Choy	Sherry Howard	Sharon Merchant	Jennifer C. Thomason
Irwin Cineus	Michael Howe	Andrew Meyer	Christine Tibbs
Shereena Coleman	Isaac Hoyos	Dorrit Miller	Wendy Tippet
Matthew V. Constantine	Woody Hughes	Willie A. Miller, Jr.	Lori Vinikoor
Caitlin Copeland	Michele Jacobs	Sheri Montgomery	Whitney Cunningham Walker
Tim Coppage	Renée A. Jadusingh	Jennifer Morton	William Waters
Jodi Cross	Enith Jaimes	Melissa Murray	Michael Weiner
Julia Dattolo	Annetta Jenkins	Terri Murray	John "Jack" F. Weir
Tiffany David	Dorina L. Jenkins-Gaskin	Tequisha Myles	Tim Wheat
Simone Davidson	Kurt Jetta	Lisa Nisenson	Marlon White
Michelle DePotter	Elliott Johnson	Linda Odum	Steve Wilson
Jonathan Dolphus	Markeisha Johnson	Michael Odum	Anna Yeskey
Nicole Dritz	Carol Jones-Gilbert	Joan Oliva	Gabrielle Zaidman
Ben Durgan	Laura Kallus	Charles Orozco	Suzanne Cabrera, HLC Staff
Jervonte Edmonds	Guy Kempe	Nate Parson	Leslie Mandell, HLC Staff
Wilneeda Emmanuel	Afifa Khaliq	Maggie Perez	

MAIN CORE GROUPS

FUNDING & FINANCING

John "Jack" F. Weir, Leader
Mack Bernard
David Brandt
Jonathan B. Brown
Ben Durgan
Wilneeda Emmanuel
Michele Jacobs
Dorritt M. Miller
Morris G. "Skip" Miller
Terri Murray
Carlos R. Serrano

NEIGHBORHOOD REVITALIZATION & COMMUNITY DEVELOPMENT

Katy Smith, Leader
Mary Lou Bedford
Lesley George
Annetta Jenkins
Dorina L. Jenkins-Gaskin
Elliott Johnson
Cindee LaCourse-Blum
Matthew Leger
Terri Murray
Linda Odum
Carlos R. Serrano
Michael Weiner
John "Jack" F. Weir

PLANNING & REGULATORY REFORM

Elliott Johnson, Leader
Jennifer Ferriol
George Gentile
Dodi Glas
Michael Howe
Kevin Ratterree
Carlos R. Serrano
Anna Yeskey

RACIAL EQUITY

Suzanne Cabrera, Leader
Sammy Alzofon
Tracy Caruso
Lynda Charles
Lesley George
Sherry Howard
Annetta Jenkins
Ezra Krieg
Cindee LaCourse-Blum
Linda Odum
Carlos R. Serrano
John "Jack" F. Weir

HOUSING LEADERSHIP COUNCIL OF PALM BEACH COUNTY BOARD OF DIRECTORS

John "Jack" F. Weir
(Chair), *President, Eastwind Development LLC*

Dodi Glas (Vice Chair), *AICP, LEED BC&D*

Scott Montgomery
(Treasurer), *CPA, Senior Manager, EisnerAmper*

Monclaud Nestor
(Secretary), *Vice President, PNC Bank*

Patricia Fitzgerald (Past Chair), *Illustrated Properties/Chair FL Real Estate Commission*

Scott Hansel (Executive Committee), *CEO, Community Partners of South Florida*

Mohamed Abdalla, *Habitat for Humanity for South Palm Beach County*

Maria S. Antuña, Executive Vice President, *Central Palm Beach Chamber of Commerce*

Wes Blackman, *AICP, President CWB Associates*

Julia Dattolo, *President and CEO, CareerSource*

Tim Dougher, *VP, Business Development Board of Palm Beach County*

Shannon Duran, *CUDE, President, Guardians Community Credit Union*

Patrick Eichholtz, *Housing Advocate*

Anne Gerwig, *Mayor, Village of Wellington*

Omari Hardy, *Florida House of Representatives*

Annetta Jenkins, *Director, Riviera Beach CRA*

Elliott Johnson, *President, ManorHouse Construction, LLC*

David Kanarek, *Land Project Manager, Pulte Group*

Dr. Gonzalo La Cava, *Chief Human Resources, Palm Beach County School District*

Sergio A. Mariaca, *President, Mariaca Wealth Management, LLC*

Patrick McNamara, *President & CEO, Palm Health Foundation*

Morris G. "Skip" Miller
(Executive Committee), *Partner, Greenspoon Marder LLP*

Whitney Cunningham Walker, *Sr. Community Relations Specialist, FPL*

Michael Weiner, *Attorney, Sachs Sax Caplan, P.L.*

HOUSING LEADERSHIP COUNCIL STAFF

Suzanne P. Cabrera, *President & CEO*

Leslie S. Mandell, *Director of Development & Communications*

Eralda Agolli, *Consultant*

PALM BEACH COUNTY STAFF

Verdenia C. Baker, Palm Beach County Administrator

Patricia Behn, *Planning Director, Planning Zoning and Building Department*

Maria Bello, *Principal Planner, Planning Zoning and Building Department*

Mack Bernard, *District 7 Commissioner*

David Brandt, *Executive Director, Housing Finance Authority*

Jonathan B. Brown, *Director, Department of Housing & Economic Development*

Sherry Brown, *Director, Office of Financial Management and Budget*

Wilneeda Emmanuel, *Chief of Staff to Commissioner Mack Bernard*

Lesley George, *Housing Liaison, Department of Housing & Economic Development*

Sherry Howard, *Deputy Director, Department of Housing & Economic Development*

Michael Howe, *Senior Planner, Planning Zoning and Building Department*

Dorina L. Jenkins-Gaskin, *Director of Mortgage and Housing Investments, Department of Housing & Economic Development*

Theresa Lawrence, *Executive Assistant to County Administrator Verdenia C. Baker*

Dorritt M. Miller, *Assistant County Administrator*

Willie A. Miller, Jr., *Senior County Commission Administrative Assistant to Commissioner Mack Bernard*

Daniel Ramos, *Senior Program Manager, Community Services Department*

Patrick Rutter, *Assistant County Administrator*

Carlos R. Serrano, *Director of Strategic Planning & Operations, Department of Housing & Economic Development*

Wendy Tippet, *Director of Human Services and Community Action, Community Services Department*

SPEAKERS AND TOPICS

Resource: Ned Murray, Ph.D., AICP

"Palm Beach County Affordable Housing Needs Assessment, February 2021"

April 14 2021: Financing

Sandra Veszi Einhorn, Executive Director, Coordinating Council of Broward

"Broward County's Housing Plan: Advocacy, Housing Policies, Addressing the Affordable Housing Shortage, Creation of the Affordable Housing Coalition in 2016"

Tim Wheat, Regional Vice President, Pinnacle Housing Group

"How Deals are Made; Obstacles to Building More Affordable Housing in Palm Beach County"

May 12, 2021: Planning & Regulatory Barriers

George Gentile, Senior Partner, Gentile Glas Holloway O'Mahoney & Associates, Inc.

"Regulatory Process Differences That Make It Difficult to Work in Workforce Housing or Housing That Will Meet the Needs of Essential PBC Workers"

Don Hearing, Principal, Coteleur & Hearing

"Easier Ways to Develop Affordable/ Workforce Housing"

Michael Howe, Senior Planner, Palm Beach County Planning Division

"Workforce Housing Program: Description and Explanation of the County's Inclusionary Zoning Program"

Kevin Ratterree, Vice President, GL Homes of Florida

"Land Use Changes, Rezoning & Density Bonuses"

John "Jack" F. Weir, Principal and President, Eastwind Development, LLC

"Zoning from a Multifamily Perspective"

June 9, 2021: Neighborhood Revitalization

Armando Fana, Assistant City Administrator, City of West Palm Beach

"Factors Impacting Neighborhood Revitalization For All Citizens And Income Levels: Market Forces, Zoning Practices And Rules, Political Will, NIMBYism"

Hugh Morris, Manager, Community Development and Growth, National Association of Realtors

"Strategies for Density & Housing"

Ralph Stone, Executive Director of the Housing Finance Authority of Broward County

"Neighborhood Revitalization in Broward County and Clearwater, FL"

July 14 2021: Understanding Racial Equity

Barbara Cheives, President and CEO, CONVERGE and Associates Consulting

"Understanding the History of Racial Equity in Palm Beach County"

John Sapora, Disaster Recovery and Resiliency Manager, Jacksonville Office of Local Initiative Support Corporation

"Appraisal Gap Issues, Initiatives of the Local Initiative Support Corporation, National Funder Interest"

Kristopher Smith, Community Development Officer, Jacksonville Office of Local Initiative Support Corporation

"Appraisal Gap Issues, Initiatives of the Local Initiative Support Corporation, National Funder Interest"

August 11, 2021: Bond Financing

David Brandt, Executive Director, Housing Finance Authority of Palm Beach County Moderator

Clarence Brown, Division Director, Community and Housing Management, Miami-Dade County

"How The Surtax Program Has Been Used as a Funding Source for Affordable Housing In Miami-Dade County"

Jonathan B. Brown, Director, Palm Beach County Housing and Economic Development

"Update on County COVID Funding"

Morris G. "Skip" Miller, Partner, Greenspoon Marder

"Public Funding and Direct Revenues and Expenditures on the Part of Palm Beach County"

John F. "Jack" Weir, Principal and President, Eastwind Development, LLC

"Workforce multi-family rental (60%-140% AMI)"

Larry Zabik, Founder, Zabik & Associates

"Owner Occupied Single Family and Condominium/Townhouse: Affordable and Workforce"

Debbie Zommaraand, Financial Advisor to the Broward County Housing Finance Authority

"Affordable Multi-family with 4% Federal Low-Income Housing Tax Credit (up to 60% of AMI)"

September 9, 2021: Planning & Regulatory Barriers

Ana Maria Aponte, AICP, LEED AP, City Urban Designer, City of West Palm Beach

"The Density Incentive Program Recently Incorporated In The City Of West Palm Beach"

Patricia Behn, Planning Director, Palm Beach County Planning Division

"What Palm Beach County Is Doing To Promote Affordable And Workforce Housing From A Planning And Zoning Perspective"

Bryan Davis, Principal Planner, Palm Beach County Planning Division

"Overview of Palm Beach County's Urban Redevelopment Area concepts, the recent Southport project approved in the area, and the work that County Planning staff has recently begun on updating the density concepts in the Comprehensive Plan"

Ralph Stone, Executive Director, Housing Finance Authority of Broward County

"Broward County's Recently Enacted Ordinance That Gives Commercially Zoned Property a Dual Underlying Multi-Family Housing Zoning Designation"

October 13, 2021: Neighborhood/Community Revitalization

Shirley Erazo, President/CEO, Delray Beach Housing Authority and Delray Housing Group, Inc.

"The Role of Housing Authorities in Community Revitalization"

Renée A. Jadusingh, Executive Director, Delray Beach Community Redevelopment Agency

"The Role Of CRAs In Community Revitalization"

Annetta Jenkins, Director of Neighborhood Services, Riviera Beach CRA; Executive Director, Riviera Beach CDC Moderator

Terri Murray, Executive Director, Neighborhood Renaissance

"Neighborhood Revitalization From the Ground Up: Coleman Park"

Linda Odum, Executive Director, West Palm Beach Housing Authority

"The Role of Housing Authorities in Community Revitalization"

B. Making Of This Plan

This Plan was built on the finding of the 2020 Palm Beach County Housing Needs Assessment, conducted by the Jorge M. Perez Metropolitan Center.

The published document can be found at the following link: <https://www.hlcpcb.org/housing-resources/research-and-reports/palm-beach-county-affordable-housing-needs-assessment/>

CREATING THE COUNTY HOUSING PLAN – HOUSING FOR ALL

Armed with this irrefutable data making it clear that Palm Beach County does indeed have a severe shortage of affordable and workforce housing, the Housing Summit Steering Committee “morphed” into the Housing Plan Steering Committee and took on the task of developing a County Housing Plan that, if followed, would go a long way toward alleviating that shortage.

The Housing Plan Steering Committee set up four “Housing Core Groups,” to review and make recommendations in the following areas:

1. Funding and Financing;
2. Planning and Regulatory Reform;
3. Neighborhood Revitalization and Community Development; and
4. Racial Equity

The Core Groups first made monthly presentations over a period of approximately 12 months to the Housing Plan Steering Committee in a series of Zoom meetings designed to educate the Housing Plan Steering Committee about what steps other communities were taking to increase the availability of affordable and workforce housing. Those meetings were open to the general public and were also attended by stakeholders and others interested in seeing how the issue was being addressed. A number of those who attended those meetings would up being added to the Housing Plan Steering Committee and the Housing Core Groups.

At the conclusion of the monthly educational presentations each of the Housing Core Groups drafted an outline of its recommendations, followed up by specific action items. These outlines and specific action items were reviewed by the entire Housing Plan Steering Committee and are reflected in the County Housing Plan that is now being presented.

The Palm Beach County Housing Plan is the next step in a process that began five years ago. For this Plan to be successful, the recommendations of the Plan must be implemented, which will require the combined efforts of local government, the business community, lenders and other funders, developers and builders and the non-profit community. Everyone in our community deserves safe and affordable shelter, even if providing so may require financial and other sacrifices.

The Palm Beach County Housing Plan would not be possible without the contributions of literally dozens of individuals. See Appendix A for those who contributed to the development of the Plan.

C. Bond Proceeds Allocation Process Recommendations

A) Bond Issuance

- 1) BCC Authorization (or voter approval) of \$200 million in housing bonds
- 2) Bonds could be issued at once or in tranches of \$50 million, with an initial issuance of \$50 or \$100 million. Timing of future tranches would be determined by demand.
- 3) Taxable bond issuance with a term of 20 years.
- 4) May be all General Obligation bonds, all County revenue bonds or some combination of revenue bonds and General Obligation bonds.

B) Allocation Process

- 1) RFP to be issued by County – should initially be open round on a first come first serve basis; subsequent rounds can be for limited periods with deadlines
- 2) After review of applications by County staff, preliminary award recommendations
 - a) Administration of program may require transfer of or increase in County staff for Department of Housing and Economic Sustainability (DHES)
- 3) 3rd party credit underwriting of project applications that are successful in obtaining allocation of bond proceeds – paid for by developer
- 4) Allocations subject to approval by Board of County Commissioners (BCC)
- 5) Awards reclaimed if not used within one year of approval unless BCC approves a specific hardship extension

C) Bond Pool Rules

- 1) Subordinate Loans only (no grants), no forgiveness except in limited cases for homeownership loans (see below)
 - a) Loans only to developers, not individual end users
 - b) Loans will bear interest at 1% (0% for nonprofits), payments subject to cash flow
 - c) Rent restrictions co-terminus with loan terms – i.e., 20 years; minimum term can be extended by borrower.
 - d) Loans on rental projects repaid when project sold, but restrictions continue for remaining term under new owner(s).
 - e) Homeownership loans – no forgiveness for first five years as primary occupants, then 10% forgiveness per year for next 10 years; questions re continuing sale price restriction after 15 years. Option during first 15 years, sell to unrestricted buyers and repay loan, or sell to similar income and rent restricted buyer and loan is assigned to new buyer.
- 2) Minimum 50% of bond proceeds to be used for gap financing for rental housing

- 3) Minimum 25% of bond proceeds to be used for homeownership financing
- 4) Restrictive covenant will bar conversions to condo during subordinate loan term
- 5) No loans from bond proceeds for homeownership to households earning at or below 60% AMI.

D) Award Amounts

- 1) Income criteria and maximum award amounts per category
 - a) < 140% AMI – maximum \$10,000 per WFH unit in this category
 - b) < 120% AMI – maximum \$20,000 per WFH unit in this category
 - c) < 100% AMI – maximum \$30,000 per WFH unit in this category
 - d) < 80% AMI – maximum \$40,000 per WFH unit in this category
 - e) < 60% AMI – maximum \$50,000 pr WFH unit in this category (no 9% housing tax credit projects)
- 2) Workforce deals – minimum 75% of the WFH units at 120% AMI or below, and minimum 25% of the AMI units at 80% AMI or below
- 3) Maximum loan size per project - \$5 million for workforce, \$7.5 million for affordable (any SAIL funding received for project would be credited against this maximum amount, reducing the maximum from bond proceeds)
- 4) Minimum 20% of the units must be workforce units for rental projects (minimum size 10 units); all homeownership units must be workforce housing units.

E) Other Funding Sources

- 1) Bond proceeds may be combined with other funding sources to achieve deeper income targeting for a project.
- 2) It is projected that homeownership loans targeting households below 100% AMI will require additional funding subsidies.
- 3) Subsidy layering analysis when multiple subordinate or public funding sources to ensure public purpose is served.

F) Monitoring and Compliance

- 1) Annual certification for projects; submitted to County by project owners
 - a) Possible review of submittals and certification by 3rd party credit underwriter
- 2) Rent limits will follow the tax credit model, in which there will be a maximum rent for each income tier (60%, 80%, 100%, etc.) determined by the number of bedrooms in each unit, regardless of the actual number of occupants in a particular unit.

3) In mixed-income projects, workforce/affordable housing units will float, meaning that compliance will be determined by the requisite percentage of the total units, rather than having designated fixed workforce/affordable units.

4) Income compliance will be determined by initial occupancy.

I. Ranking Criteria

A. Rental Housing

1) Project Ranking Criteria - Basic

- a) Workforce housing percentage – minimum 20% of total units
- b) Site Control – deed, PSA, long-term lease
- c) Proximity – transit, schools, medical facilities
- d) Zoning – with land use to permit the requested density
- e) Preliminary Site Plan
- f) Local Government Contribution

(1) Could be land, fee waiver and/or additional gap financing support from locally accessed federal, state or local funds;

(2) Could be minimum amount or minimum percentage of County bond proceeds or total project costs; lower level or exemption for smaller municipalities

2) Project Ranking Criteria - Tiebreakers

- (1) Affordable Housing – projects with 80% or more of units targeting households at 60% of AMI or less
- (2) Income Targeting – more units at lower target income levels
- (3) Higher percentage of workforce housing units
- (4) Environmental Certification (e.g. NGBS)
- (5) Length of term of restriction – longer than minimum term of 20 years
- (6) Leverage – requests above award amounts per AMI levels lose tiebreaker

B. Homeownership

1) Project Ranking Criteria – Basic

- a) All units to be workforce housing
- b) Site Control – deed, PSA, land trust
- c) Proximity – transit, schools, medical facilities
- d) Zoning – with land use to permit if attached for sale housing

e) Preliminary site plan – if not scattered site

f) Local Government Contribution

(1) Could be land, fee waiver and/or additional gap financing support from locally accessed federal, state or local funds;

(2) Could be minimum amount or minimum percentage of County bond proceeds or total project costs; lower level or exemption for smaller municipalities

2) Project Ranking Criteria – Tiebreakers

- a) Length of term restriction up to 30 years
- b) Longer period before loan forgiveness starts and finishes

II. Municipalities for local match requirements (highest tier of local support):

1) North

- a) Jupiter
- b) Palm Beach Gardens
- c) Riviera Beach

2) Central

- a) West Palm Beach
- b) Lake Worth Beach
- c) Palm Springs
- d) Greenacres

3) South

- a) Boynton Beach
- b) Delray Beach
- c) Boca Raton

4) West

- a) Wellington
- b) Royal Palm Beach

III. Potential additional municipalities (lower tier for local support)

1) North

- a) Tequesta
- b) Lake Park
- c) North Palm Beach

2) Central

- a) Lantana

3) West

- a) Belle Glade

IV. Municipalities under 5,000 in population exempted from local match

D. Terms

AHC (Affordable Housing Collaborative) of Palm Beach County: The AHC is a group of housing stakeholders that meet on a monthly basis to discuss topics and issues relevant to affordable housing. Members include non-profits, counseling agencies, lenders, real estate professionals, attorneys, municipal staff and many others. The group meets the third Wednesday of every month at 12:30, usually at the Children's Services Council. The AHC is all volunteer but has a contract with HLC (Housing Leadership Council) to provide administrative functions including managing the membership list, sending meeting notices and other administrative tasks.

AMI (Area Median Income): The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. HUD uses the median income for families in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income.

Annual Action Plan: The annual plan submitted by entitlement municipalities that outlines the programs and activities funded through the U.S. Department of Housing and Urban Development (HUD).

CAH (Commission on Affordable Housing): A local advisory board to the Palm Beach County Commission on affordable housing issues, especially involving SHIP funding.

CDC (Community Development Organization): A CDC is usually a local, non-profit entity organized to address long-term community revitalization by building affordable housing, assisting or starting small businesses, and creating jobs.

CDBG (Community Development Block Grant): A pass-through HUD program that allocates funding to "entitlement cities and counties", as well as states for smaller cities and rural areas, on a formula basis; funds can be used for a variety of affordable housing, economic development, infrastructure and other projects.

CFR (Code of Federal Regulations): The rules and requirements published by administrative agencies and departments, like HUD, the Dept. of Education, and the like.

CHDO (Community Housing Development Organization): Under the HOME Program, a CHDO is a private, non-profit, 501(c)(3) tax exempt organization that has, among its purposes, the provision of decent, affordable housing to low- and moderate-income persons.

CLT (Community Land Trust): A community land trust is a private non-profit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. In particular, CLTs attempt to meet the needs of residents least served by the prevailing market.

CoC (Continuum of Care): Authorized under the several "McKinney Act" Programs administered by HUD, Continuum of Care funds are allocated at the local level by regional "Continuum of Care" agencies (see "LAHSA" below) to provide an array of services to the homeless

Consolidated Plan: A plan developed by a local government which describes the needs, resources, priorities, and proposed activities to be undertaken with funds provided under various federal programs. A consolidated plan is required for all participating jurisdictions.

Cost-Burdened: Policymakers and advocates consider a household cost burdened if more than 30% of their income goes towards housing costs. Being housing cost burdened is an indicator that a household may be unable to afford other critical and nondiscretionary costs such as health and childcare, food, and transportation.

Displacement: Displacement occurs when residents can no longer afford to remain in their homes due to rising housing costs. Residents may also be forced out by lease non-renewals, evictions, eminent domain, or physical conditions that render homes uninhabitable as investors await redevelopment opportunities. While displacement occurs routinely in low-income neighborhoods, when it occurs in the context of new development and an influx of wealthier residents, the displacement becomes a characteristic of gentrification.

FHFC (Florida Housing Finance Corporation): The FHFC's mission is as follows: (1) finance affordable housing for very low-, low-, and moderate-income people; and (2) to stimulate the home building industry. The FHFC obtains funds through program revenues and by issuing bonds that are secured by mortgages taken in exchange for the FHFC's loans. The FHFC also receives appropriations of federal grants and tax credits as well as Sadowski Act documentary stamp tax revenues to finance affordable single- and multi-family housing to be occupied by very low-, low-, and moderate-income persons

FHA: Federal Housing Administration: A sub-organization of HUD, the FHA "provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories." In effect, it often subsidizes housing purchases and building.

FMR (Fair Market Rent): The maximum chargeable gross rent in an area for projects participating in the HUD Section 8 program. Determined by HUD.

Gentrification: Gentrification is the process that occurs when more public and private investment is made in a neighborhood. This often changes the character of a neighborhood through the influx of higher income residents and new businesses. Gentrification often increases the economic value of a neighborhood, but it can result in displacement of existing residents and businesses. Gentrification often shifts a neighborhood's racial or ethnic composition and increases average household income.

HES (Housing and Economic Sustainability): Palm Beach Housing and Economic Sustainability administers local housing programs.

HECM (Home Equity Conversion Loan): This is also known as a reverse mortgage. This product is used by seniors who need access to the equity in their home.

HFA: Palm Beach County Housing Finance Authority is a dependent special district of Palm Beach County, and the seven members of the Housing Finance Authority are appointed by the Board of County Commissioners. It is a self-supporting entity and receives no federal, state or local funding.

HOME (HOME Investment Partnerships Program): HOME funds are allocated on a needs-based formula to state and local governments designated participating jurisdictions (PJs) and require non-federal match of HOME dollars. The Florida Housing Finance Corporation (FHFC) administers the state's HOME program.

HUD (U.S. Department of Housing and Urban Development): The department within the federal government that is mandated by Congress to create conditions for every family to have decent and affordable housing, to ensure equal housing opportunities for all, and to strengthen and enrich the nation's communities.

IZ (Inclusionary Zoning): Mandatory programs require developers to build affordable units in exchange for development rights (e.g. additional density). Voluntary programs rely on incentives to encourage developments to "opt-in."

LIHTC (Low Income Housing Tax Credit): A competitive federal program administered by the state which grants income tax credit to developers who build or substantially rehabilitate affordable rental housing. The tax credits are used to raise project equity.

Leveraging: Using a small amount of funds to attract other funds, including loans, grants and equity investments. The premise of leveraging is to use public dollars in conjunction with private dollars to increase the number of affordable housing units.

Loan Guarantees: A pledge by a third party that, in case of default by the borrower, promises to repay all or a portion of the borrowed amount. State and local governments and non-profit intermediaries are often sources of loan guarantees, with the Federal Housing Administration (FHA) being one of the most well-known.

Low-Income Person or Household: A person or household whose annual (gross) income does not exceed 80 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families.

LHAP (Local Housing Assistance Plan): Plans that outline local housing priorities and initiatives through the State Housing Initiatives Partnership (SHIP) Program.

LTV (Loan to Value): The LTV ratio expresses the ratio of the first mortgage lien as a percentage of the total appraised value of the real property.

Market Value: The price a property would sell for in a competitive market when there has been a normal offering time, no coercion, arms-length bargaining, typical financing, and informed buyer and sellers.

Moderate-Income Person or Household: A person or household whose annual (gross) income does not exceed 120 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families.

MRB (Mortgage Revenue Bonds): State and local housing finance agencies (HFAs) sell tax-exempt bonds and use the money that is raised to lend to first-time homebuyers. Because buyers of these bonds accept a lower rate of return on their investment than if the bonds were taxable, HFAs can lend proceeds to the homebuyers at interest rates below conventional mortgage rates.

MOA (Memorandum of Agreement): A memorandum of agreement (MOA) or cooperative agreement is a document written between parties to cooperatively work together on an agreed upon project or meet an agreed upon objective. The purpose of an MOA is to have a written understanding of the agreement between parties. The MOA can also be a legal document that is binding and hold the parties responsible to their commitment or just a partnership agreement.

MOU (Memorandum of Understanding): Similar to Memorandum of Agreement. The MOU can also be a legal document that is binding and hold the parties responsible to their commitment or just a partnership agreement.

MLS (Multiple Listing Service): A computer-based service that provides real estate professionals with detailed listings of most homes currently on the market. Much of the information can now be obtained by the public through websites like www.realtor.com.

NIMBY (Not in My Backyard): The term is used to describe a new development's opposition by residents in its vicinity. The new project being opposed is generally considered a benefit for many but has negative side-effects on its close surroundings. As a result, residents nearby the immediate location would consider it undesirable and would generally prefer the building to be "elsewhere".

NOFA: Notice of Funding Availability: This is synonymous with "RFP" and means a document issued by a funder to solicit proposals.

NSP: Neighborhood Stabilization Program. Funded through ARRA (Economic Stimulus package in 2009). There were three funding cycles - NSP1, NSP2 and NSP3. Programs have wrapped up but there is still program income from many programs.

PHA (Public Housing Authority): A Public Housing Authority is responsible for the management and operation of its local public housing program. They may also operate other types of housing programs, including Section 8 subsidies.

PJ (Participating Jurisdiction): Can be a housing authority or a municipality

PITI: Principal, Interest, Taxes & Insurance payments to determine a total housing payment.

PMI (Private Mortgage Insurance): Coverage that, in instances of default, guarantees a lender the partial payment of an outstanding loan balance. Traditionally, lenders require PMI in instances where the loan to value ratio is higher than 80 percent, however, lenders have been known to waive this requirement under their affordable housing programs.

Pro Forma: Projected annual income and expenses for a rental development for a given period (usually 15 years).

RFA (Request for Funding Assistance): This is synonymous with "RFP" and means a document issued by a funder to solicit proposals.

RFP (Request for Proposals): This is the basic acronym used to describe documents that offer guidelines for grant funding.

RFQ (Request for Qualifications): This refers to providing qualifications of personnel in response to a task or project.

REO (Real Estate Owned): Property that is owned by a lender, usually acquired through a foreclosure, or through a deed in lieu of foreclosure.

Reserves: Funds held to pay future liabilities. Typical reserves include replacement reserve for major repairs, operating reserve for covering negative cash flow and contingency funds

RESPA (Real Estate Settlement Procedures Act): RESPA requires that lenders give all borrowers of federally related mortgage loans an estimate of settlement costs and a HUD-prepared booklet with information about real estate transactions, settlement services, cost comparisons, and relevant consumer protection laws.

RPC (Regional Planning Council): RPCs provide planning and technical assistance to local governments on federal and state issues such as housing, growth management, emergency management, and intergovernmental coordination. The State of Florida has 11 RPCs.

Secondary Market: Markets into which originating lenders sell their loans to investors who are seeking longer term investments (such as Fannie Mae).

SAIL (State Apartment Incentives Loan Program): Funds that come from the Housing Trust Fund to provide gap financing to those building multi-family housing.

Severely Cost-Burdened: Policymakers and advocates consider a household severely cost burdened if more than 50% of their income goes towards housing costs. Being housing severely cost-burdened is an indicator that a household may be unable to afford other critical and nondiscretionary costs such as health and childcare, food, and transportation.

SHIP (State Housing Initiatives Partnership): Florida Housing administers the State Housing Initiatives Partnership program (SHIP), which provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families. SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling.

SF-424: Standard Form 424: This is the basic cover form for most federal grant applications.

SGA (Solicitation for Grant Applications): Like a Request for Proposals (RFP), an SGA

SRO (Single Room Occupancy): SROs provide housing for elderly, disabled, the working poor and others who, without SROs might otherwise be homeless. An SRO room typically has a sink, closet, and sleeping space. Bathroom, shower and kitchen spaces are generally shared with others

Subordinated (Secondary or Tertiary) Debt: If more than one lender has a lien on a property, the subordinated debt is paid after the debt of lien holders in superior (or first) positions.

Subsidy: Financial assistance in the form of government loans, grants, or other contributions that are used to make housing affordable.

Sweat Equity: The value of volunteer labor in producing affordable housing.

TARP (Troubled Assets Relief Program): TARP allows the United States Department of the Treasury to purchase or insure up to \$700 billion of “troubled” assets.

TDR (Transfer of Development Rights): TDR programs allow landowners to sever development rights from properties in government-designated low-density areas, and sell them to purchasers who want to increase the density of development in areas that local governments have selected as higher density areas.

WHP (Workforce Housing Program): The Workforce Housing Program provides for the development of workforce housing units in all new residential developments in unincorporated Palm Beach County. The program is intended to serve the housing needs of people employed in the jobs that the general population of the community relies upon to make the community economically viable.

Very Low-Income Person or Household: A person or household whose annual (gross) income does not exceed 50 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).

E. Sources

Aponte, A. M. (2021, September 9). The Density Incentive Program Recently Incorporated in the City of West Palm Beach.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Behn, P. (2021, September 9). “What Palm Beach County is Doing to Promote Affordable and Workforce Housing from a Planning and Zoning Perspective.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Brown, C. (2021, August 11). “How the Surtax Program Has Been Used as a Funding Source for Affordable Housing in Miami-Dade County.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Brown, J. (2021, August 11). “Update on County COVID Funding.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Cheives, B. (2021, July 14). “Understanding the History of Racial Equity in Palm Beach County.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Davis, B. (2021, September 9). “Overview of Palm Beach County’s Urban Redevelopment Area Concepts, the Recent Southport Project, and work on updates to the Density concepts in the Comprehensive Plan.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Fana, A. (2021, June 9). “Factors Impacting Neighborhood Revitalization for All Citizens and Income Levels: market forces, zoning practices and rules, political will and NIMBYism.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Gentile, G. (2021, May 12). “Regulatory Process Differences That Make It Difficult to Work in Workforce Housing Shortage, Creation of the Affordable Coalition in 2016.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Hearing, D. (2021, May 12). “Easier Ways to Develop Affordable Housing.” Virtual presentation to the Housing Leadership Council of Palm Beach County.

Howe, M. (2021, May 12). "Workforce Housing Program; Description and Explanation of the County's Inclusionary Housing Program." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Jadusingh, R. A. (2021, October 13). "The Role of CRAs in Community Revitalization." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Miller, S. (2021, August 11). "Public Funding and Direct Revenues and Expenditures on the Part of Palm Beach County." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Morris, H., (2021, June 9). Strategies for Density and Housing." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Murray, N., Ilcheva, M., Zyryanova. (2021, February). "2020 Palm Beach County Needs Assessment." Florida International University Jorge M. Perez Metropolitan Center. <https://www.hlcpcb.org/housing-resources/research-and-reports/palm-beach-county-affordable-housing-needs-assessment/>

Murray, T. (October 13, 2021). Neighborhood Revitalization from the Ground Up." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Odum, L., and Erazo, S. (2021, October 13). "The Role of Housing Authorities in Community Revitalization." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Ratterree, K. (2021, May 12). "Land Use Changes, Rezoning and Density Bonuses." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Smith K., and Sapora, J. (2021, July 14). "Understanding Racial Equity." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Stone, R. (2021, September 9). "Broward County's Recently Enacted Ordinance that gives Commercially Zoned Property a Dual Underlying Multi-Family Housing Zoning Designation." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Stone, R. (2021, June 9). "Neighborhood Revitalization in Broward County and Clearwater, FL." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Veszi Einhorn, S. (2021, April 14). "Broward County's Housing Plan: Advocacy, Housing Policies, Addressing the Affordable Housing Shortage, Creation of the Affordable Housing Coalition in 2016." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Weir, J. (2021, May 12). "Zoning from a Multifamily Perspective." Virtual presentation to the Housing Leadership Council of Palm Beach County.

Wheat, T. (2021, April 14). "How Deals are Made; Obstacles to Building More Affordable Housing in Palm Beach County." Virtual presentation to the Housing Leadership Council of Palm Beach County.



CRA BOARD MEETING OF: May 21, 2022

WORKSHOP #2 - BALANCING PRIORITIES AND NEEDS AND AFFORDABLE HOUSING

AGENDA ITEM: 6.C.

SUBJECT:

CRA's and the Public Housing Authority Model - Dorothy Ellington, former Executive Director and CEO of the Delray Beach Housing Authority and the Delray Housing Group

SUMMARY:

The speaker bio is provided as Attachment I, along with their presentation as Attachment II.

ATTACHMENTS:

Description

- ▢ **Attachment I - Dorothy Ellington Bio**
- ▢ **Attachment II - Presentation**



DOROTHY ELLINGTON

Dorothy Ellington served as President/CEO of the Delray Beach Housing Authority from 1996 until retirement in 2019. As CEO she was responsible for management of 1747 housing units including Section 8, Public Housing, Neighborhood Stabilization Program, Low Income Housing Tax Credit and nonsubsidized affordable units. During her tenure at DBHA she led a comprehensive redevelopment effort in response to the devastation caused by Hurricane Wilma in 2005. Demolition of the former 200-unit Public Housing complex created the opportunity for public and private investments topping \$100 million.

Her years of experience in urban planning, housing and community development include serving as a Planner with both the City of Tallahassee and the City of Delray Beach as well as managing the Community Development Block Grant (CDBG) program in Delray Beach. She is skilled in public policy development, community organizing and resident empowerment.

Ms. Ellington has served on numerous advisory boards including Florida's Affordable Housing Study Commission, Career Source Palm Beach County, the Palm Beach County Community Land Trust and the City of Delray Beach Affordable Housing Advisory Committee. She has also served as a faculty member for the National Association of Housing & Redevelopment Officials (NAHRO) providing Resident Leadership training. She holds a Master of Applied Social Science, with an emphasis on Public Management from Florida A & M University.

Dorothy Ellington
dellington1974@gmail.com

Why Partner for Affordable Housing?

May 21, 2022

Boynton Beach CRA

Delray Beach

Population in 2021 66,846

(100% urban, 0% rural)

Estimated median income in 2020:

Delray: \$66,245

Florida: \$57,703

Estimated median house or condo in 2021:

Delray: \$384,000

Florida: \$380,000





OUR (RE)DEVELOPMENT STORY

- In the Beginning







VILLAGE SQUARE FAMILY

BEFORE



AFTER





WEST SETTLER'S OFFICE BUILDING

BEFORE



Your Logo Here

West Settler's Service Center



AFTER





DB Housing Authority La France Apartments



After

Healthy Communities Steps

- Kick off renovation of blighted area
- Senior housing within area to preserve support network



Capacity Building Steps

- CRA Owned / Redeveloped
- DBHA Managed – Initial Property management experience



Before

Neighborhood Stabilization Program (NSP)

A Federal & Local Government Partnership

BEFORE



AFTER



Housing Bubble Explosion

Foreclosed Properties

BEFORE



AFTER



Vacated, Blighted Foreclosed Properties

BEFORE



AFTER



City, DBHA & DHG Partnership

BEFORE



AFTER



THANK YOU
DOROTHY ELLINGTON
(561) 573-2390
dellington1974@gmail.com



CRA BOARD MEETING OF: May 21, 2022

WORKSHOP #2 - BALANCING PRIORITIES AND NEEDS AND AFFORDABLE HOUSING

AGENDA ITEM: 6.D.

SUBJECT:

CRA's and the Community Land Trust Model - Evelyn Dobson, Executive Director of the Delray Beach Community Land Trust

SUMMARY:

The speaker bio is provided as Attachment I, along with their presentation as Attachment II.

ATTACHMENTS:

Description

- ▢ **Attachment I - Evelyn Dobson Bio**
- ▢ **Attachment II - Presentation**
- ▢ **Attachment III - The Delray Beach CLT Newsletter from Evelyn Dobson's Presentation**
- ▢ **Attachment IV - CLT Homebuyer Education Module from Evelyn Dobson's Presentation**



EVELYN S. DOBSON

Evelyn is CEO/ Founder of the Delray Beach Community Land Trust (DBCLT). Her commitment to the DBCLT began during her term as a DBCRA Commissioner. She was employed by the DBCLT in January of 2007 as Operations Manager, appointed as Interim Executive Director in November 2008, appointed as Executive Director in March of 2009, and since 2018 serves as CEO. Evelyn consistently demonstrates an exceptional ability to ensure that the organization performs at the highest level. She maintains a strong visual presence with the organization and community. She meets all requirements of funders and partners, possess excellent leadership and is well respected among her peers. She oversees all aspects of development and management of program services, implement organizational policies and procedures, and collaborates with housing partners and affiliates.

With holding multiple industry specific certifications, she ensures quality programming in tune with current housing trends, achieving the goals established for fulfilling the mission and goals of the organization.

Prior to her start with the DBCT, she has more than eighteen years of property management and private development experience, and eight years in banking. She has supervised more than 27 employees in the past and currently supervises a staff of 3 fulltime employees.

Additionally, as a resident of Delray Beach for more than forty-five years, she has participated in numerous workshops, attended seminars, conferences, and involved in forums as a proactive community leader in Delray Beach. Along with other community members and stakeholders she has spearheaded projects and discussions on important issues such as development without displacement, affordable housing, infrastructure improvements, racism, historic preservation, and much more.

Former board member of the following:

- *Parking Management Advisory Board 2003*
- *Neighborhood Advisory Board (NAB) 2003*
- *West Atlantic Redevelopment Coalition (WARC) 2004-2005*
- *Delray Beach Community Redevelopment Agency (DBCRA) 2004-2006*
- *Delray Beach Community Land Trust (DBCLT) 2006*
- *West Atlantic Task Team (WATT) 2000-2008*
- *SW/NW Redevelopment Management Team 2004-2007*
- *Delray Beach Downtown Master Plan Implementation Committee 2007-2009*
- *Coalition for Community Renewal (CCR/Weed & Seed) 2005-2008*
- *Delray Beach Study Circle (Race Relations) 2008-2009*
- *Visions 2020 Advisory Committee 2010*
- *The Delray Beach Center of the Arts (OSS) 2016-2020*
- *Great Delray Chamber of Commerce 2017-2019*

A current member of the:

- *Delray Beach Homeless Initiative*
- *Florida Community Land Trust Institute-Steering Committee*
- *Florida Non-profit Developer Forum*

DELRAY BEACH COMMUNITY LAND TRUST

PRESENTATION BY:

EVELYN S. DOBSON, CEO

TO THE

BOYNTON BEACH CRA BOARD
REDEVELOPMENT WORKSHOP

May 21, 2022

6:00pm

City Hall Chambers

100 E. Ocean Ave

Boynton Beach FL

“Opening doors to affordable housing”

www.delraybeachlandtrust.org





THE DELRAY BEACH COMMUNITY LAND TRUST (DBCLT)

Organization—a 501 (c) (3) nonprofit, incorporated January 17, 2006 to preserve long term affordable housing opportunities

Governance — a twelve (12) member board of directors with one-third Homeowner representation, one-third General Community and one-third Public. Set and establish policies and procedures in accordance to our mission and goals

Mission—creating healthy communities through the provision and preservation of affordable housing for very-low to moderate income households

We Share—the vision to provide quality long-term affordable housing for very-low to moderate income households in partnership with the City of Delray Beach, The Delray Beach CRA, and Palm Beach County

We Are—one of more than 300 community land trusts nation-wide and one of approximately seven in the southeast Florida region

We Are—affiliated with several housing organizations locally, statewide and nationally

DELRAY BEACH COMMUNITY LAND TRUST “PEOPLE & PLACE”

We continue to embrace a "comprehensive community development" framework, in which we focus both on **People and Place** to ensure that an adequate supply of quality housing is available in an array of designs and price levels to meet the needs of the very low to moderate income populations.

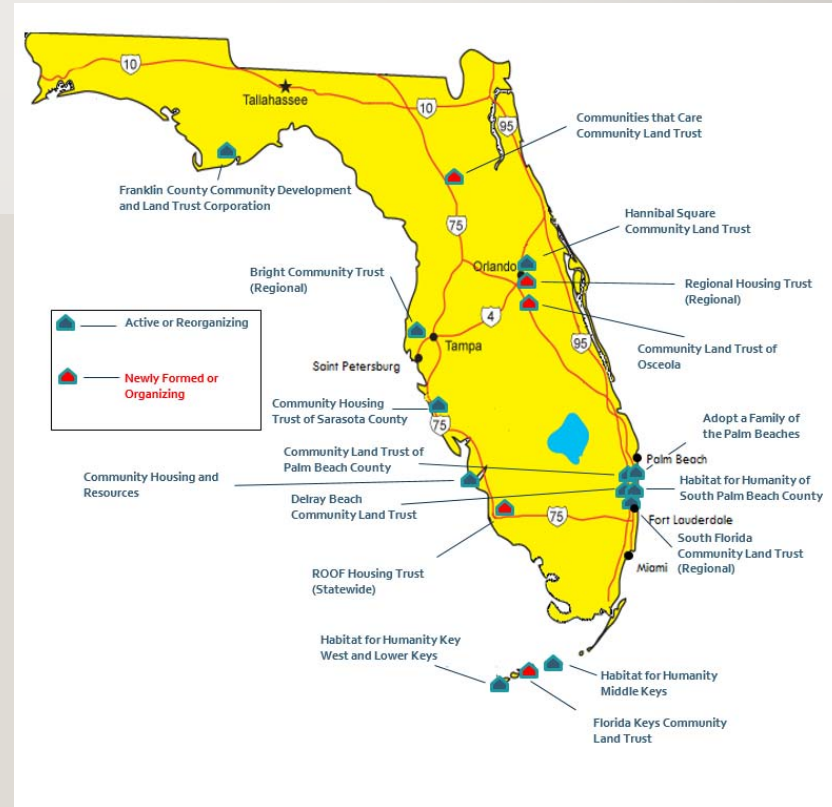
Affordable housing promotes healthy stable living and a chance at creating individual wealth and Upward Mobility. Without affordable housing, households are weakened, disrupted, and communities deteriorate. Wage inequality, racial inequities and a shortage of affordable housing leaves household members in despair and or homeless.

Households paying over 50% of their annual household income are considered severely cost-burdened.

Now is a time when many parts of the country could benefit from having a larger stock of shared-equity homes. Since shared-equity homes remain affordable in perpetuity, the housing stock is not lost over time. In fact, it advances integration by ensuring that affordable homes remain in neighborhoods that are experiencing blight, gentrification or that are rich in community assets.



COMMUNITY LAND TRUST FLORIDA





BOARD OF DIRECTORS

Herman Stevens Jr.-President

Attorney at Law
Public Representative
Former CRA Commissioner

Nicole Elinski-Secretary

Real Estate Sales
General Representative

Anthony Guy

Public Works Supervisor
City of Delray
Homeowner Representative

Elton McGowan

Palm Beach County/Technician
Homeowner Representative

Shelia Townsend-Vice President

PBC School District Finance
Homeowner Representative

Gary Eliopoulos

GE Architecture, Inc./Owner
Public Representative
Former City Commissioner

Vicki Hill

Boynton Beach CRA
Dir. Of Finance
Public Representative

Dysonya Mitchell

PBC School District Teacher
Homeowner Representative

Thais Sullivan-Treasurer

Valley Bank-Senior VP
National Dir. of Community Lending
Public Representative

Marie Anderson Brown

Esthetician
General Representative

Anthony Holliday, Jr.

Retiree-Consultant
General Representative

Columbus Rollins

Veteran-VA Medical Support Asst.
General Representative



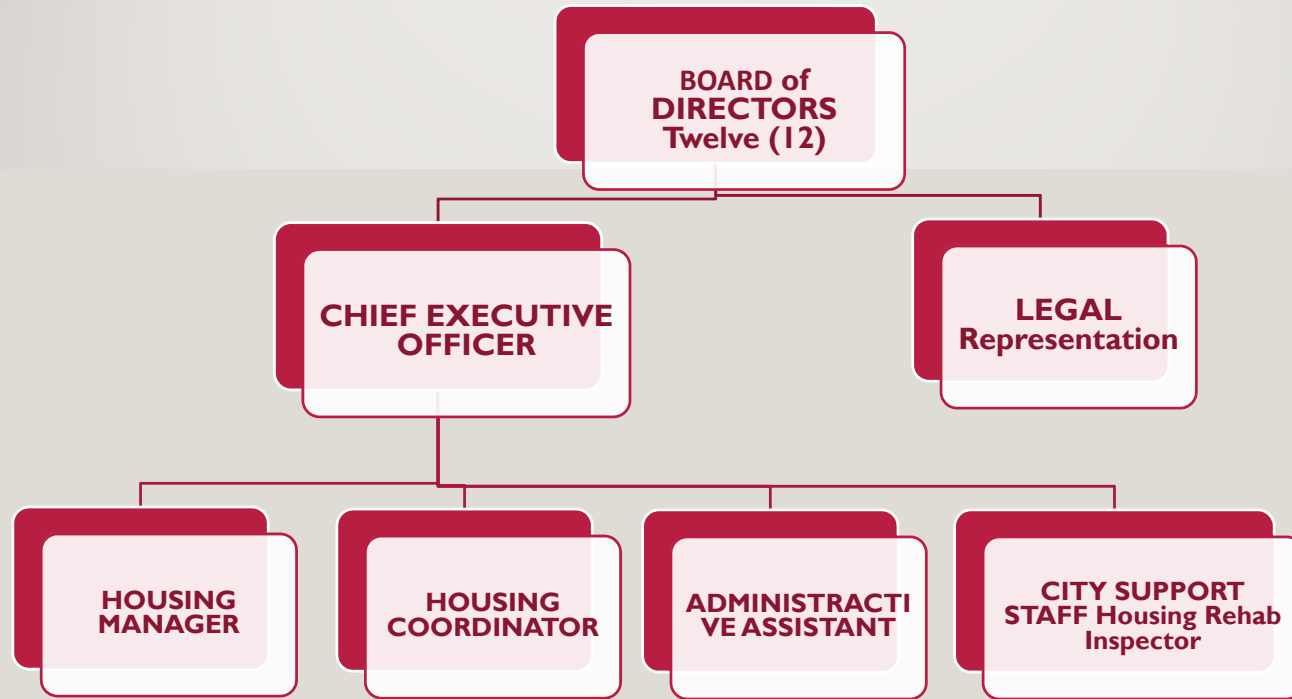
DBCLT BOARD OF DIRECTORS

- *Our organization is built upon principles of inclusiveness, participatory democracy and self-determination*
- *The **GOVERNANCE** is in place to ensure the sustainability of the organization.*
- *The **BOARD MEMBERS** are volunteers that work together dutifully without hidden agendas by mutual cooperation, dedication, commitment and in an effort to ensure that quality, affordable housing is a reality for very low to moderate income households in accordance to our mission and goals.*
- *They understand that the challenge of leadership is to be strong, but not rude; be bold, but not bully; be humble, but not timid; be proud, but not arrogant; have humor, but without intentional harm, with the confidence to stand alone.*
- *They boost the self-esteem of the STAFF allowing the Chief Executive Officer to exercise the duties that she is charged with.*



DELRAY BEACH COMMUNITY LAND TRUST

Organizational Chart



Our *ATTORNEY* acts as the legal advisory ensuring adherence to the rules and regulations as a nonprofit, as it relates to the CLT Model Program



SPIRIT OF SERVICE

A healthy nonprofit necessitates the commitment of the Board led by the President/Chair

The Board must:

- **Believe**-in the mission and goals of the organization
- **Role**-understand that every board member serves to grow the organization, evaluate our successes and shortfalls
- **Rules**-ensure that all requirements, guidelines and laws relative to program services are followed
- **Self**-place service above self on behalf of others without a hidden agenda
- **Promote Transparency**-no hidden agendas

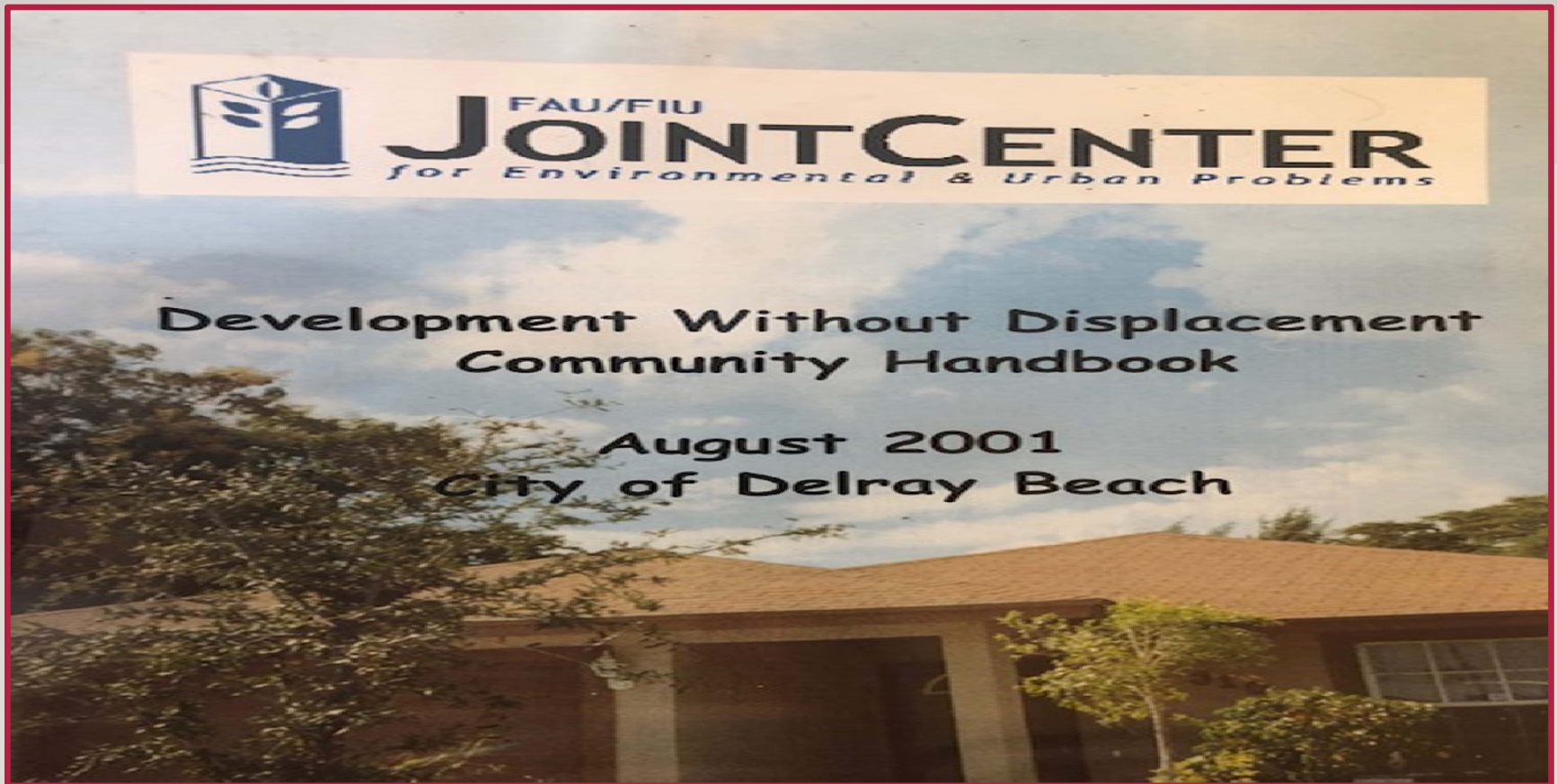
Know that:

- **Credit**-does not matter who gets it, the impact of the work we do on behalf of the households we serve matters most
- **Relationships**-are built through service
- **Respect**-set aside all differences that may cause division





“COMMUNITY LAND TRUST MODEL”



COMMUNITY LAND TRUST

With housing being one of the primary
elements of a quality life,

Affordable Housing for low to moderate
income families in perpetuity is an
essential ingredient for stabilizing and
sustaining

A Thriving Community



COMMUNITY LAND TRUST

The vehicle of separating land...



COMMUNITY LAND TRUST

... from the improvement (house)

Homebuyers purchase the house and have the right to use the land by virtue of a 99 year lease agreement with the CLT



COMMUNITY LAND TRUST

Owned Properties can be:

- Green Spaces
- Commercial Spaces
- Agriculture
- Rentals
- Lease Purchase Units
- Town Homes/Condos/Single Family Homes



COMMUNITY LAND TRUST KEY BENEFITS

- Price of the home is now more affordable
- Permanent stock of affordable housing is created
- Public Funds-subsidy retention
- A nonprofit is providing stewardship to backstop the homeowner as needed to be successful
- Reduces the rental crisis by moving renters into CLT homeownership
- Create a permanent Sense of Pride and Place
- Financial stability— able to save without fear of rent increases or loss of housing
- Enhanced quality of life
- Return of equity upon resale



COMMUNITY LAND TRUST HOMEBUYERS/HOMEOWNERS

Responsibilities:

- Understand mortgage readiness requirements
- Making monthly lease payment to CLT
- Making monthly mortgage payment to bank
- Paying tax bill for improvement
- Paying insurance
- Making repairs – no landlord to call
- Receiving CLT approval before making certain improvements
- Notifying CLT when they intend to sell.



COMMUNITY LAND TRUST GROUND LEASE AGREEMENT

...the nonprofit that holds title to the land, leases the improvements subject to restrictions that keep the improvements affordable in perpetuity



Provisions of the Ground Lease:

- Income eligibility restrictions
- Use restrictions (primary home)
- Taxes – who is responsible (more later)
- Inheritance - yes (with caveats)
- Ground lease payments
- CLT right to repurchase
- Resale Formulas- an agreement as to how the CLT (the nonprofit) and the CLT homeowner share in the sales price paid by the next buyer
 - **Appraisal-Based Resale Formula**
 - **Fixed-Rate Resale Formula**
 - **Indexed Resale Formula**

DELRAY BEACH COMMUNITY LAND TRUST PARTNERSHIP BENEFITS-DELRAY BEACH

- **LAND DONATIONS**
- **FUNDING-OPERATIONS**
- **CONSTRUCTION LOANS**
- **PROPERTY MANAGEMENT**
- **PURCHASE ASSISTANCE GRANTS**
- **PURCHASE ASSISTANCE (soft second mortgages)**
- **EXPEDITED PERMITTING**
- **PERMIT FEES CONCESSION**
- **INFRASTRUCTURE IMPROVEMENTS**
- **LDR WAIVERS**
- **WORK FORCE HOUSING**



DELRAY BEACH COMMUNITY LAND TRUST HOUSING DEVELOPMENT TEAM

- *Non-Profit and For-Profit Partners*
- *Architects*
- *Engineers*
- *Environmental Consultants*
- *Surveyors*
- *General Contractors*
- *Planning & Zoning*
- *Lenders/mortgages, lines of credit*
- *Appraisers*
- *Attorneys*
- *Title Agents*
- *Accountant*



DELRAY BEACH COMMUNITY LAND TRUST

Standard features in our homes that would easily be considered upgrades by many builder's such as:

- Range 1700-2300 Square Feet
- Impact glass windows
- Tiled flooring/laminate
- Energy Star Appliances
- Garages with openers
- Ceiling Fans
- Wireless Alarms
- Some Green Building Components
- ADA Compliant

Homeowner Warranties:

- 1/2yr mechanical, electrical and plumbing
- 10yr structural





Single Family Unit, 3BR/2Bath, 1960 sq. ft.

Purchase Without Land

Purchase Price \$294,00.00 (\$150.00 hard cost)
 \$ 15,000.00 (soft cost)

Lender Mortgage (\$230,000.00)

\$ 79,000.00 Subsidy Needed

With Land

Purchase Price \$439,00.00

Lender Mortgage(\$230,000.00)

Shortage (\$ 209,000.00)

RESALE EXAMPLE

Sample Scenario

\$309,000.00 = Purchase Price

Less \$75,000 = Purchase Assistance (Subsidy)

Net \$234,000 = Original Mortgage or Base Price

RESALE FORMULA

Year	AMI	Year	AMI	Year	AMI	Year	AMI
2016	65,400	2014	63,300	2012	64,100	2010	67,600
2015	64,900	2013	64,600	2011	63,300	2009	67,600
		2008	66,000	2007	61,200		

The difference in each year's percentage gives you the calculated number for the annual appreciation

Original Mortgage	\$235,000.00
Mortgage Payoff	<u>(200,000.00)</u>
Net	35,000.00
Appreciation for 10 yrs.	<u>25,000.00</u>
Buyers Equity	\$60,000.00

***75,000 purchase assistance forgiven after 30 years**



WEALTH BUILDING

3BR Rent Prior to CLT Purchase = \$1,800.00

Monthly PITI Payment = \$1,400.00

Monthly Savings = \$400

Savings at 10 Years = \$48,000.00

Total Benefit at 10 years = \$60,000.00 + \$48,000.00 = \$108,000.00

DELRAY BEACH COMMUNITY LAND TRUST AFFORDABLE HOUSING PORTFOLIO

Our property portfolio currently consists of 106 properties:

- 92 Units - owner occupied units
- 3 New WFH single family homes – under contract
- 6 Single Family - home rentals
- 1 duplex - two (2) rental units
- 5 properties - dedicated for future development

SOCIAL CHARACTERISTICS

Single	45%
Married	56%
Seniors	4%
Veterans	1%



HOMEOWNERS MEDIAN INCOME BASE

29%	Very Low
34%	Low
37%	Moderate

DBCLT HOUSING DEVELOPMENT OPTIONS



Infill Housing Development



Work Force Housing Development



Work Force Housing Development



Lease Purchase

Single Story Units - 3 Bedrooms, 2 Baths 1,833 total square feet
Sale price \$246,500.00

Two-Story Units 4 Bedrooms, 2 1/2 Baths 2,333 total square feet
Sale price \$278,700.00



COREY JONES ISLE PROJECT 10 SINGLE FAMILY HOMES (DBCLT/DBCRA/CITY)

CREATING CHANGE ATLANTIC PARK SQUARE PROJECT (DBCLT/DBCRA/CITY)



**BEFORE
March 2009**



CREATING CHANGE



WORK FORCE HOUSING PROJECT



DELRAY BEACH COMMUNITY LAND TRUST PROPERTY MANAGEMENT

- Establish operating budget
- Process applications for units, pre-qualification and selection
- Lease-Up Units
- Ensure that leases are renewed on a timely basis, and rent increases implemented
- Collect Rents
- Pay Expenses
- Ensure necessary repairs and replacement are carried out
- Maintain Common Areas
- Prepare Quarterly Reports for non-owned properties
- Manage 37 non-owned units and 6 owned



HOMEOWNERSHIP DREAM MADE A REALITY



HOMEOWNERSHIP DREAM MADE A REALITY



"It's the first time we've owned a home. You have more freedom when you own a home."



"I love the home itself and I love the neighborhood, It's peaceful and quiet."



"One of the things about the Land Trust is that they make sure you're in a home you can afford. Having a home gives you that feeling of progress."



"I wanted my kids to have a sense of security as far as having a roof over their heads. I look at my house and I just start to cry."



*Thank
you for your
attention!*

Call or
visit the
DBCLT



*“Building A Better Community
One Home At A Time”*

www.delraybeachlandtrust.org

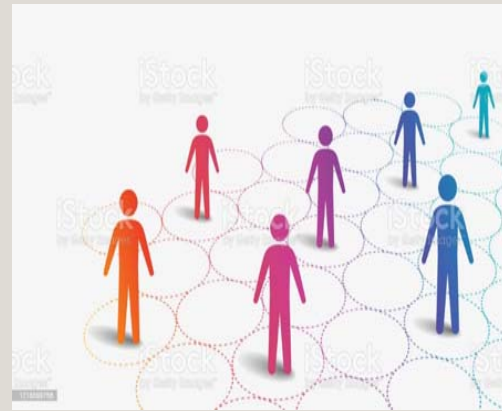
561.243.7500

dobson@mydelraybeach.com

Live life with passion for self and others, begin each day with enthusiasm and strive for excellence in all that you do!



STAY SAFE



THE DELRAY BEACH COMMUNITY LAND TRUST NEWSLETTER

A Quarterly Newsletter of the Community Land Trust

APRIL 2022



DBCLT MISSION

CREATING HEALTHY
COMMUNITIES
THROUGH THE
PROVISION AND
PRESERVATION OF
AFFORDABLE
HOUSING FOR VERY-
LOW TO MODERATE
INCOME
HOUSEHOLDS

Delray Beach Community Land Trust
141 SW 12th Avenue
Delray Beach, FL 33444
561-243-7500 | delraybeachlandtrust.org

The City of Delray Beach and the Delray Beach Community Redevelopment Agency (CRA) are the primary sponsors of the DBCLT. Both the City and the CRA donate land to provide permanent affordable housing opportunities for very low to moderate income households.



BOARD OF DIRECTORS



Herman Stevens Jr.
President

Shelia Townsend
Vice President

Thais Sullivan
Treasurer

Nicole Elinski
Secretary

Marie Anderson

Gary Eliopoulos

Anthony Guy

Vicki Hill

Anthony Holiday, Jr.

Elton McGowan, Jr.

Dysonya Mitchell

Columbus Rollins

STAFF

Evelyn S Dobson
CEO

Gerecia Edmond
Housing Manager

Snevly Noel
Homebuyer Coordinator

Riche Blake
Administrative Assistant

ATTORNEY

David W. Schmidt, P.A.
Board Attorney

PRESERVING AFFORDABLE HOUSING

COMMUNITY FRIENDS, MEMBERS, PARTNERS AND AFFILIATES

The affordable housing crisis stems from an insufficient number of affordable housing units, despite the availability of government assisted units. Many families with low incomes in our county are cost burdened residents paying as much as \$2,400 monthly rent for a two-bedroom unit. The City of Delray and the Delray Beach CRA has developed and created initiatives such as public private partnerships and community land trust to expand housing options for very low to moderate income households.

Community redevelopment means undertaking activities or projects for the elimination and prevention of slum and blight, for the reduction or prevention of crime, and to provide affordable housing, whether for rent or sale, to low-moderate income households. The sources of funding and programs for affordable housing assistance include:

- **CDBG**-Community Development Block Grant
- **SHIP**-State Housing Initiatives Partnership Program
- **HOME**-Investment Partnership Program
- **TIF**-Tax Increment Financing Funds

All people are worthy of the provision of quality, affordable housing. Resident's value should not be measured by the amount of money they make or inherit. Value is a social construct, wherein everyone needs are addressed and everyone benefits when all groups interact with one another.

Affordable, workforce housing is hardly a new issue to Palm Beach County. The data firm Zumper-Zillow for apartments-said this month that rents rose by 37% from last year. Increases continue with no end in sight. Population growth increases demand for housing and that means property values go up and the county receives more tax revenue. It also means residents get priced out of the area.

Our ongoing stewardship goals are to:

- **Deliver** affordable housing opportunities for very low to moderate income households through ownership/lease purchase and rentals
- **Sustain** program services through collaboration to ensure access to quality housing options by expanding and retaining existing housing pool, leveraging public/private subsidies, and preventing displacement due to hardships or other economic events
- **Cultivate** affordable housing stability and Upward Mobility for the households we serve

Affordable Housing Projects (most recent and current):

- **Corey Jones Isle (Delray Beach Community Land Trust)** – produced 10 new single family 3- and 4-bedroom units, single and two-story units, priced at \$246,000-\$276,000, 1800-2300 square feet
- **Carver Square (Pulte Homes)** – will be producing 20 new single-family homes, with 5 workforce units, 3 and 4 bedrooms at \$166,110 to \$261,030, 1447-1822 square feet
- **Island Cove (Delray Beach Housing Authority)** – 60 new rental units



MANAGEMENT & PROJECTS

Street of Dreams



ATLANTIC PARK SQUARE PROJECT

SW 14th AVENUE
25 SINGLE FAMILY HOMES

DBCLT PORTFOLIO

92

Owned single family
units and Townhomes

1

Under Construction
(215 NW 8th Ave.)

2

In Permitting
(246 & 248)
NW 8th Ave.

6

Vacant Lots
Future Single
Family Homes

6

Owned Rental Units
(0 Vacancy)

37

Non-owned
Rental units
managed
(0 Vacancy)



PALM MANOR APARTMENTS

WORKFORCE HOUSING DEVELOPMENT



HOUSING DEVELOPMENT



COREY JONES ISLE – Ten (10) units sold

**Single Story Units - 3 Bedrooms, 2 Baths 1,833 total square feet
Sale price \$246,500.00**

**Two-Story Units 4 Bedrooms, 2 1/2 Baths 2,333 total square feet
Sale price \$278,700.00**



OTHER DEVELOPMENT PROJECTS:

- 21 SW 13th Ave -Vacant lot, development not yet assigned
- 129 NW 4th Ave – Vacant lot, development not yet assigned
- 102 & 1311 NW 14th Ave—Vacant lots, development not yet assigned
- 215 NW 8th Ave – **King III Model-3BR, 2Bath, 1 Car Garage, Covered Patio, 1890 square feet (Purchase & Sale contract executed)**
- 246 NW 8th Ave — **Commodore Model-4BR, 2Bath, feet (Purchase & Sale contract executed)**
- 248 NW 8th Ave — **Commodore, 3BR, 2Bath, feet (Purchase & Sale contract executed)**
- Southridge Rd., Zeder—Vacant lot (not buildable) infrastructure improvements needed
- 308 SW 3rd Street—Vacant lot, development not yet assigned

COMING SOON:

- SW 13th Ave.
- NW 14th Ave.
- SW 3rd St.

HOMEBUYER CORNER



HOMEBUYER QUALIFICATIONS:

- Must be a 1st time Homebuyer or have not owned a home in three years
- Must meet mortgage lenders credit criteria score of (640) or better
- Down payment is required for purchase
- Must be a US citizen or Permanent Resident
- Must attend a 8 hour first time homebuyer course

Income caps as of 4/1/2021
for purchase based upon AMI
(Area Median Income)

- 140% High Moderate (household size of 4, (\$119,840)
- 120% Moderate (household size of 4, (\$102,720)
- 80% Low (household size of 4, (\$68,500)
- 50% Very Low (household size of 4, (\$42,800)



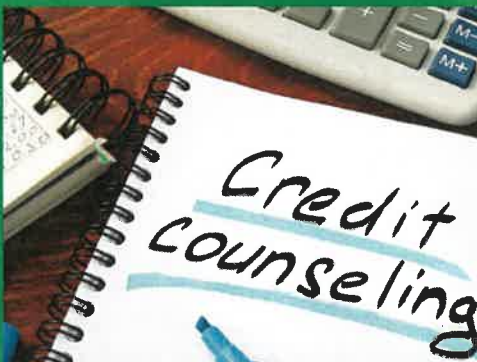
First Time Homebuyer Course

Urban League of Palm Beach,
www.ulpbc.org

Address: 1700 N. Australian Ave.
West Palm Beach, FL 33407

Phone number: (561) 833-1461

When Classes Are Held:
(Call to confirm dates and time)



Consolidated Credit
5701 W. Sunrise Blvd, Ft. Lauderdale, FL 33313
Phone number: 954-377-9077
Website: consolidatedcredit.org

Debt Helper
1325 N. Congress Ave. #201
West Palm Beach, FL 33401
Phone number: 561-472-8000
Website: debthelper.com



Assistance for families and individuals by providing financial solutions through counseling in the areas of budgeting, credit, and debt management.

INFORMATION CORNER



- Visit mydelraybeach.com or discover.pbcgov.org for updated information and other links for rental assistance.
- Please contact your mortgage lender, auto financing provider, and all other creditors regarding loss of income.
- Contact your landlord as soon as possible regarding loss of income.
- Stay in tune with what is happening with our local government-Visit mydelraybeach.com for schedule of commission meetings and other information.
- Visit delraycra.org for scheduled meetings and community information.

- Is the eye of a lender and/or company. Many use a credit score to determine your ability to pay off debt.
- Your credit reports contain information about your history with loans, credit cards and credit lines. A pattern of late or missed payments makes you less creditworthy .

MORTGAGE LOAN DOCUMENTS CHECKLIST:

- W2's—two years
- Pay check stubs and any other form of income
- Bank Statements—reflect spending and saving habits
- Disclosure and proof of account balances for IRA's and retirement accounts
- Tax Returns-last two years
- List of your assets
- List of your debts
- Credit Report-to determine credit score



OPENING DOORS TO AFFORDABLE HOUSING



NEWLY CONSTRUCTED HOME



215 NW 8TH AVENUE.



GROUND LEASE INFORMATION



ARTICLE 6: Taxes and Assessments

6.1 HOMEOWNER IS RESPONSIBLE FOR PAYING ALL TAXES AND ASSESSMENTS: Homeowner shall pay directly, when due, all taxes and governmental assessments that relate to the Home and the Leased Land (including any taxes relating to the CLT's interest in the Leased Land).

6.2 CLT WILL PASS ON ANY TAX BILLS IT RECEIVES TO HOMEOWNER: In the event that the local taxing authority bills CLT for any portion of the taxes on the Home or Leased Land, CLT shall pass the bill to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER HAS A RIGHT TO CONTEST TAXES: Homeowner shall have the right to contest the amount or validity of any taxes relating to the Home and Leased Land. Upon receiving a reasonable request from Homeowner for assistance in this matter, CLT shall join in contesting such taxes. All costs of such proceedings shall be paid by Homeowner.

6.4 IF HOMEOWNER FAILS TO PAY TAXES, CLT MAY INCREASE LEASE FEE: In the event that Homeowner fails to pay the taxes or other charges described in Section 6.1 above, CLT may increase Homeowner's Lease Fee to offset the amount of taxes and other charges owed by Homeowner. Upon collecting any such amount, CLT shall pay the amount collected to the taxing authority in a timely manner.

6.5 PARTY THAT PAYS TAXES MUST SHOW PROOF: When either party pays taxes relating to the Home or Leased Land, that party shall furnish satisfactory evidence of the payment to the other party. A photocopy of a receipt shall be the usual method of furnishing such evidence.



REGULAR MEETINGS



DELRAY BEACH COMMUNITY LAND TRUST REGULAR BOARD OF DIRECTORS MEETING

Third Thursday of every month at 6:00 pm
More info: delraybeachlandtrust.org

Office Closed
May, 30th
Memorial Day



DELRAY BEACH CRA REGULAR BOARD MEETINGS

Fourth Tuesday of every month at 4:00 pm
Arts Warehouse -In-person or online
More info. delraycra.org



CITY OF DELRAY BEACH COMMISSION MEETING

First & Third Tuesday of every month at 4:00 pm
In-person or online
More info. delraybeachfl.gov



ACTIVITIES & EVENTS

COMMUNITY RESOURCE FAIR



On March 26th, The City of Delray Beach alongside multiple Partners, will be hosting a Community Resource Fair to inform residents of services available in the city.

10:00 AM - 2 PM
Location: Old School Square
51 N Swinton
Ave, Delray Beach, FL 33444

****FOOD TRUCKS** available on-site
****FREE RAFFLE PRIZES**

CRAFTED ON THE AVE



THE DELRAY BEACH CRA brings to you, CRAFTED ON THE AVE! Crafted on the Ave. is a new open-air craft market created to highlight local Delray Beach small and microbusinesses that are merchants/creators of handmade products, art, and other crafts and goods.

April 2nd 1:00PM
Location: Libby Wesley Plaza
2 SW 5th Ave
Delray Beach, FL 33444

60TH DELRAY AFFAIR



Location: Atlantic Avenue in Downtown Delray Beach from NW 2nd Avenue east to the intracoastal waterway.

Dates / Times
Friday, April 8, 2022
(10:00 am – 6:00 pm)
Saturday, April 9, 2022
(10:00 am – 6:00 pm)
Sunday, April 10, 2022
(10:00 am – 5:00 pm)

Festival Features up to 500 artists and crafters featuring hand-crafted pieces of fine arts and crafts. Live music at the Old School Square beer garden and great food!

AUTHORS SPEAK



RSVP & Register at artsgarage.org

GENERATION MIXED GOES TO SCHOOL
Thu, 04/21/2022 7:00pm
Radically Listening to Multiracial Kids weaves together stories of mixed-race children and youth, teachers, and caregivers with perspectives and research from social and developmental psychology, Critical Mixed Race Studies, and education.

DARK MATTERS
by Simone Browne
Thu, 06/16/2022 7:00pm
Browne locates the conditions of blackness as a key site through which surveillance is practiced, narrated, and resisted.

SNAP AT THE GREENMARKET



The NEW Snap (Supplemental Nutrition Assistance Program) at the Delray Beach GreenMarket is the only GreenMarket in Palm Beach County that is part of this program!
Open from Oct-May
9:00 am - 2PM
Location Old School Park

ART & JAZZ ON THE AVE



May 25, 2022, From 6:00 PM – 9:00 PM
Stroll the SOFA neighborhood in a closed street style format, experience live music, art, culture, and special promotions by retailers and merchants. Location: (South of Atlantic Ave.)- SE 3rd Ave. From E Atlantic Ave. To SE 2nd St.
FREE AND FUN FOR ALL AGES



WE HAVE MOVED! ✨

The CLT HAS RELOCATED TO:

141 SW 12TH AVENUE
DELRAY BEACH, FL 33444

DELRAY BEACH COMMUNITY LAND TRUST

OTHER PARTNERS AND AFFILIATES



Delray Beach Community Land Trust
145 SW 12th Avenue
Delray Beach, FL 33444



TEACHER'S
GUIDE

COMMUNITY LAND TRUST

Homebuyer Education

MODULE



SPONSORED BY:
Wells Fargo Bank

**WELLS
FARGO**



PRESENTED BY:
The Florida Housing Coalition

PREFACE

ABOUT THE FLORIDA HOUSING COALITION

The Florida Housing Coalition, Inc., is a nonprofit, statewide membership organization whose mission is to bring together housing advocates and resources so that all Floridians have a quality affordable home and suitable living environment. The Coalition provides professional consultation services through training and technical assistance on affordable housing and related issues; supports community based partnerships in leveraging resources; and advocates for policies, programs and use of funding resources that maximize the availability and improve the quality of affordable housing in Florida. The Coalition carries out this mission recognizing that affordable housing is an integral part of community revitalization and economic development.

The Florida Community Land Trust Institute is a program of the Florida Housing Coalition which began in January 2000. The Florida Community Land Trust Institute (Florida CLT Institute) supports excellence in Florida based community land trusts and other shared equity housing models, as well as policy initiatives such as inclusionary zoning and linkage fee ordinances. In regard to community land trusts in Florida, the Florida CLT Institute provides assistance to government and nonprofit entities with assessing whether a community land trust is appropriate for a particular community and if so, direction for choosing the best model along with startup and capacity building activities.

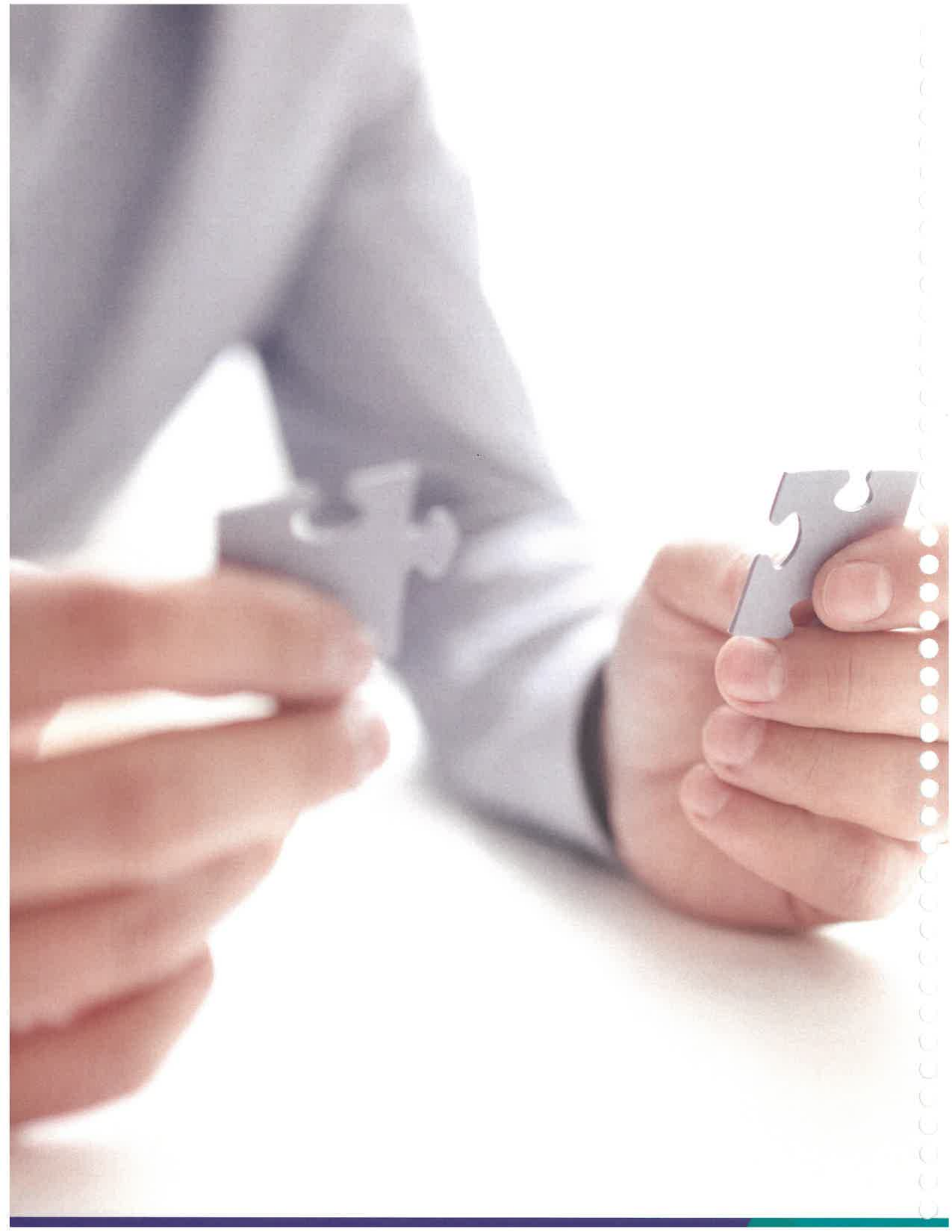
ABOUT THIS PRE- PURCHASE CLT HOMEBUYER MODULE

This module is designed to education potential purchasers of community land trust (CLT) homes about what it means to be a CLT homeowner. It should be presented to those whom have chosen CLT homeownership or to those for whom CLT homeownership is their best option for purchasing a home.

This module is intended to supplement the general homebuyer education required by many purchase assistance programs for first time homebuyers.

Table of Contents

SECTION 1: UNDERSTANDING YOUR OWNERSHIP INTEREST.....	1
About "Title"	
A Couple of Other Things about Mortgages	
Estates: Fee Simple and Leasehold	
CLT Homeownership: Fee Simple estate in the House and Leasehold estate in land	
Quiz 1	
SECTION 2: UNDERSTANDING YOUR GROUND LEASE.....	5
Key Provisions in the Ground Lease	
Term and Use	
Ground Lease Fees	
Home Maintenance	
Property Taxes	
Home Improvements	
Refinancing	
Selling your home	
Default and Foreclosure	
Inheritance	
Quiz 2	
Review of Key Concepts	
End of Module Exam	
MOVING FROM CLT HOMEOWNERSHIP TO MARKET HOMEOWNERSHIP: A FINANCIAL EDUCATION MODULE FOR CLT HOMEOWNERS.....	12
Selling your CLT Home	
What Can You Afford to Buy When You Sell?	
Resale Price	
Mortgage Principal Reduction	
Proceeds at Resale	
Moving Up and Moving On	
End of Module Exam	
APPENDICES.....	19
Appendix A Form of Ground Lease	



Introduction

Welcome to community land trust homeownership! Whether you are a prospective homeowner, or recently purchased, this manual is designed to help you better understand community land trust homeownership. Purchasing a community land trust home provides an opportunity for homeownership as an alternative to renting for those who may not otherwise be able to purchase a home due to the high cost of housing or limited household income. CLT homeownership allows you to experience most of the benefits of ownership – building equity, tax exemptions, etc. – albeit limited in such a way as to permanently preserve the affordability of the home for similarly-situated subsequent purchasers of that home.

As you enter CLT homeownership, there are key concepts, documents, and information you should understand. We will cover these in the following order:

- **Understanding your ownership interest** – CLT homeownership is different from purchasing a home in fee simple, or “on the market”. We will explain what this phrase means and the differences, so you have a clear understanding of what you own through CLT homeownership.
- **Understanding your Ground Lease** – This is the key document used to provide CLT homeownership. The ground lease provides you with the right to use the land, as if you owned it in fee simple, but with significant restrictions on that ownership in terms of the sales price to you and to subsequent homebuyers.

The manual concludes with a Financial Counseling Module for Moving from CLT Homeownership to Fee Simple Homeownership. This will prepare the CLT homeowner for purchasing their next home on the market, fee simple. As this may not be your last home, this module provides tips and helpful information for preparing to continue your homeownership journey, including procedures for selling your home and determining how much you can sell your home for.

Are you ready? Let's begin!



TEACHER NOTES

Be sure to explain and emphasize that CLT homeownership is an alternative to renting. If one can purchase a home fee simple on the market, then they should pursue that option, as it affords the greatest benefits.

“On the market” refers to the open market. Housing professionals would say the “speculative market”. This is where pricing and value are determined by market forces such as location and previous sales. CLT homes are removed from the speculative market by the resale restrictions in the ground lease.

Understanding Your Ownership Interest will require you to discuss some legal terminology that may be unfamiliar, or not truly understood by your audience. If you are unsure of these items, it may be helpful to consult with an attorney or have one present.



SECTION 1:

Understanding Your Ownership Interest

We'll start your understanding with some legal terminology.

About "Title"

When you purchase real estate, you receive what is commonly known as title. Whomever has title to the property has received a bundle of rights:

RIGHT	EXPLANATION
Possession	The property is in your care
Control	You can control how the property is used
Exclusion	You decide who can use the property
Enjoyment	You can do anything on the property you find enjoyable, as long as it's legal
Disposition	You have the right to sell the property, or otherwise transfer ownership (either temporarily or permanently)

When you purchase a home, unless you have the cash to pay for it in full, you will borrow the money to make the purchase. Upon borrowing that money, your lender will record a mortgage, which is a legal document which "secures" the debt. This means that if you are unable to pay the debt, the home will be sold, and the value of the home should provide enough proceeds to pay the lender back the amount you borrowed. So, although you have title to your property, it is advisable that you maintain your

property in good condition. Also, please note that failure to pay such things as property taxes and homeowners association dues will always threaten your ownership rights, even if your home has no mortgage.

A Couple of Other Things about Mortgages

In the mortgage, your lender is referred to as the Mortgagee, the party that receives the mortgage. You are referred to as the Mortgagor, the party that gives the mort-

gage. In other words, you as Mortgagor are pledging the value of your home to the Mortgagee to pay the lender back if you do not continue to make monthly payments.

Estates: Fee Simple and Leasehold

When you purchase property, what you really own from a legal perspective is an estate. To understand CLT homeownership, we will focus on two types of estates: fee simple and leasehold.

Fee simple is the most common form of real estate ownership. When most people buy a house, they are purchasing a fee simple estate. It is the most complete form of ownership, conveyed from the seller to the purchaser. It can be inherited, and it can be legally limited. The most common ways a fee simple estate is limited is by a mortgage, which must be paid if the property is sold, and by deed restrictions, oftentimes called Restrictive Covenants and Conditions, which may control such things as requiring a certain level of property maintenance or limiting the types of paint colors and fencing.

The other type of estate is leasehold. A leasehold estate simply means you have the right to use the property for a certain amount of time, after which that right returns to the owner. You sign a lease, which describes the terms of your use of the property. So long as you abide by the terms of the lease, you can use the property in much the same way as if you owned it.

CLT Homeownership: Fee Simple estate in the House and Leasehold estate in land

Now that we have explained title and estates, what makes CLT homeownership different from ordinary homeownership? First understand that the sales price of a home on the open market includes the value of the land and the value of the house and other structures built on the land. The legal term for the house and other structures is "improvements" (not to be confused with upgrades or addition to the house). As stated in the section above, when one purchases a home, one usually purchases a fee simple estate in both the land and improvements.

With CLT homeownership, you purchase a fee simple estate in the improvements only. Ownership of the land is retained by the CLT, which leases the land to you for 99 years. This separation of ownership, removing the value of the land from the home purchase, is what makes the home purchase affordable. However, a 99-year lease functions like legal ownership, and your CLT does NOT serve as your landlord. We will explain in more detail in the next section.

Understanding these concepts of ownership are necessary to understanding your interest in your home, and your legal rights. Please be sure you firmly understand this prior to purchasing your home from the CLT. Take the quiz on the following page to test your understanding.



TEACHER NOTES

Understanding title and bundle of rights lays a foundation for understanding estates. CLT homebuyers will need to understand the two estates they receive, fee simple estate in the house and leasehold estate in the land.

Be sure attendees understand that a mortgage limits their ability to destroy the property or otherwise do anything that affects their lender's ability to recover the debt. Also, they should know that even without a mortgage, they could lose their home for failure to pay property taxes or homeowner's association dues.

Understanding the legal differences between owning fee simple and a leasehold interest explains the ownership interest attendees will have in a CLT home.



TEACHER NOTES

Quiz 1 Answers:

1. a
2. d
3. a
4. b
5. c

Review the answers together, and revisit any topic the quiz reveals attendees have a difficult time understanding.

Attendees will not have the answer keys in their books. They will be instructed to request the answer keys from you.

Attendees should be aware that there will be one additional quiz, and an end of module exam which they must pass. A 75% minimum score on the end of module exam is suggested as passing.

Quiz 1

1. What is "title" in real estate?
 - a. Bundle of rights
 - b. Your name on the front door
 - c. The name of the property
 - d. None of the above
2. Which of these is part of the bundle of rights in title to real estate?
 - a. Possession
 - b. Disposition
 - c. Exclusion
 - d. All of the above
3. What is the most common form of ownership?
 - a. Fee simple
 - b. Leasehold
 - c. Life estate
 - d. None of the above
4. What is the legal term for the house and structures built on the land?
 - a. Buildings
 - b. Improvements
 - c. Environment
 - d. None of the above
5. What kind of estate(s) does one receive in CLT homeownership?
 - a. Fee simple in land and improvements
 - b. Fee simple in land and leasehold on improvements
 - c. Leasehold on land and fee simple in improvements
 - d. Leasehold on land and improvements



SECTION 2:

Understanding Your Ground Lease

As stated in the previous section, CLT homeownership involves owning the house and leasing the land. You will receive a deed to the house, and a ground lease to the land. In this section, we discuss the ground lease in detail, referring to the Form of Ground Lease in Appendix A. However, before we do that, let's talk about some of the benefits of CLT homeownership.

First let's reiterate that CLT homeownership is an alternative to renting, providing an avenue to homeownership to those that otherwise would not be able to own a home of their liking. CLT homeownership affords all the same benefits as regular ownership, (fee simple in house and land) including:

Stability – You can stay in your home without fear of rent increases or non-renewal of your lease.

Equity – You benefit from the increase in value of your home if/when you decide to sell it. However, this benefit is limited in order to keep the house affordable to the next homebuyer. We will cover how this is limited by the ground lease.

Tax advantages – CLT homeownership affords you all the same income tax benefits as regular homeownership, as well as homestead tax exemption (exemption from pay-

ing property taxes on a certain portion of the value of your home) which is not afforded to rental properties.

Other benefits unique to CLT homeownership include:

Lower price – The primary benefit is a lower sales price for your home compared to a similar home purchased on the open market. This lower price creates a lower barrier to entry for homeownership.

CLT stewardship – As the owner, you bear the responsibilities of ownership. Remember, your 99-year leasehold interest is the functional equivalent of ownership. Therefore, you are responsible for making repairs and maintaining both the house and the land. However, the CLT is there as a resource to help you in the event you become unable to maintain your property either physically or financially, or you desire to sell your property. The CLT also has the option to repurchase your property to avoid foreclosure.



TEACHER NOTES

All Article and Section numbers are from the Model Ground Lease in the 2011 CLT Operating Manual. CLTs should utilize this Model Ground Lease, with any changes or additions incorporated by addendum.

Reference State Statute 193.018 and that a memorandum of ground lease must be recorded in public records. Also inform attendees to check their TRIM notice, which is an estimate of property taxes issued prior to the Property Appraiser sending the tax bill. Any issues with property taxes should be brought to the CLT's attention.

For home improvements, discuss why expensive improvements should be considered in light of the resale formula, why additions would need CLT approval, and why some improvements may not be allowed. All of this relates to the overarching goal of the CLT, which is to maintain the affordability of the house in perpetuity.

Real estate tax savings – In Florida, the CLT home is taxed based on the resale-restricted formula in the ground lease. Therefore, while property taxes are your responsibility, you pay considerably less as the land carries a nominal tax liability, and the value of the home is limited by the resale formula.

The community also benefits from the presence of CLT homes. The main benefit is that they create a permanent stock of affordable housing. All communities need housing affordable to all income levels, just like a community needs roads, parks and schools. The resale restrictions in the ground lease treat these homes like infrastructure, preserving their affordability for buyer after buyer in perpetuity.

Key Provisions in the Ground Lease

Terms and Use

In CLT homeownership, you receive a leasehold interest in the land. Your ground lease will have a term of 99 years. This is the functional equivalent of ownership and enables the primary mortgage lender to loan you the funds to purchase your home.

Section 4.4 of your lease requires that you use the home as your primary residence. This means you must occupy the home for a minimum number of months per year. Also, at the end of 99 years, the lease may be renewed for another 99-year term.

Ground Lease Fees

The ground lease fees are described in Section 5.1 of the ground lease. Ground lease fees are intentionally low to keep the house affordable, and mainly function as a means for the CLT to perform its stewardship functions. If you miss a ground lease payment or two, the CLT will likely contact you to find out if you are falling behind on your mortgage payments and in need of assistance due to a loss of employment or illness, for example.

Home Maintenance

As stated in Section 4.2 of your ground lease, it is your responsibility to maintain the home and the land. You are also responsible for furnishing services to the home, such as electricity and water, and the maintenance of those facilities.

To help with home maintenance, some CLTs collect fees that are paid into a home maintenance reserve monthly as part of the ground lease fee listed in Section 5.1. This reserve may be accessed to pay for certain items as described in Section 7.6 of your ground lease.

Property Taxes

Payment of property taxes is addressed in Article 6 of your ground lease. While you do not have fee simple title to the land, the 99- year ground

lease gives you the functional equivalent of ownership. You are responsible for paying the property taxes on the land and the home.

Please note that by state statute, your Property Appraiser should determine the taxable value of the land and your home according to the following:

Land – the amount a willing purchaser would pay for a leasehold interest in the land

Improvements (home) – the amount a willing purchaser would pay based on the resale restrictions (discussed further under “Selling your home” below)

In other words, your property taxes should be based on your resale formula price instead of the market value of your home.

Home Improvements

As you continue to live in your home, you may desire to make improvements to your home, such as upgrades to cabinetry and counter tops, new flooring, or the addition of a patio or deck. Section 7.3 allows you to make improvements provided you pay for them, they are completed in a lawful and professional manner (e.g. necessary permits are pulled), do not expand the house, or cause it to be used in a manner not permitted in the ground lease. Any improvements not within these guidelines will require permission from the CLT. Common examples are the addition of a room or second floor to a one-story home. It is good to consult with the CLT prior to purchasing your home to understand what kinds of improvements are generally allowed and not allowed. For example, the addition of an in-ground pool may be expressly forbidden in your ground lease. (Remember, the term “improvements” was previously discussed as a legal term used to describe the home and structures on the land. This should not be confused with the everyday use of this term, referring to upgrades, renovations and additions.)

Refinancing

As time proceeds, you may want to refinance your mortgage to lower your monthly payment or finance home improvements. Section 8.3 of your ground lease requires that you receive permission from the CLT for any refinancing or other subsequent mortgages on the property. If you are considering this option, please speak with the CLT first before proceeding with a loan application to understand how the terms of the ground lease will affect the refinance.

Selling Your Home

There are two main things you should know about selling your home: what you can sell it for and to whom you can sell it. The selling price is controlled by the resale formula in Section 10.10 of your ground lease. It is imperative that you understand how to calculate your resale price, referred to as the Formula Price. You are also required to sell your house to another



TEACHER NOTES

Spend some time discussing the resale procedures in Appendix B. Make sure attendees know how to use your resale formula to calculate the resale price on a home.

Emphasize that the ground lease fee is not meant to be expensive or a significant revenue source for the CLT. It mainly functions as a means for the CLT to perform its stewardship functions.

Spend time explaining the property tax notification procedure. Explain that in August of each year, homeowners should receive a Truth in Millage (TRIM) notice. Explain that the TRIM notice is not a bill. It fulfills a legal requirement that tax assessors provide notice to property owners of proposed tax amounts before they become final. If the TRIM notices shows that the homeowner is being taxed incorrectly, they should contact the CLT right away for assistance with filing a petition with the Value Adjustment Board.

income-eligible buyer in accordance with the income limits set forth in Section 10.2 of the ground lease. Please ask your CLT for further details on resale procedures, including how to calculate your resale price and who is responsible for identifying a buyer.

Default and Foreclosure

Failure to occupy the home as your primary residence or failure to make required payments to the CLT are the primary reasons for default under the ground lease. Please be aware that default will give the CLT the right to terminate the ground lease and repossess both the land and your home at the Purchase Option Price defined in the ground lease. In addition to repossession, the CLT will also have the right to recover any unpaid fees according to the ground lease.

Failure to make ground lease payments typically signals to the CLT that a homeowner is experiencing financial trouble. If you are unable to make your mortgage payments, please contact the CLT right away. The CLT may be able to help you stay in your home and avoid foreclosure. If you are facing a financial hardship preventing you from paying your mortgage, please discuss options with your CLT as soon as possible.

Inheritance

According to Section 10.3 of the ground lease, ownership of the home and rights to the land can transfer to the following people upon death of the homeowner:

- Spouse of the homeowner
- Child or children of the homeowner
- A member of the homeowner's household who lived in the home for at least one year prior to the homeowner's death

These heirs may not need to income-qualify. That is, they may not need to meet income qualifications as if purchasing the home. Any other heirs or those that legally should receive the property upon death of the homeowner must meet the CLT's income qualifications. Otherwise, the home must be sold to an income-qualified household.

There are several other provisions within the ground lease that may be of interest to you. Please read the form of ground lease in Appendix A, make notes, and discuss with your CLT and your attorney prior to purchasing your home to ensure you have a thorough understanding of the ground lease. The Florida Housing Coalition may be able to refer a CLT homebuyer to an attorney who will provide pro bono services.

Review of Key Concepts

CONCEPT	EXPLANATION
Bundle of Rights	Rights received when one receives title. These include possession, control, enjoyment, exclusion, and disposition
Improvements	The home and other structures built on land
Fee Simple	The most common and most complete form of real estate ownership conveyed from the seller to the purchaser. It can also be inherited, encumbered, and/or legally limited
Leasehold	The right to use the property for a certain amount of time, after which that right returns to the owner of the land (the CLT)
Mortgage	A legal document which "secures" the loan on a home purchase
Mortgagor	The homeowner in a mortgage document
Mortgagee	The lender in a mortgage document
Title	The legal term for ownership and its bundle of rights

Quiz 2

1. You are required to use the home you purchase as your primary residence.
 - a. T
 - b. F
2. You can sell your home to any buyer who can qualify for a mortgage.
 - a. True
 - b. False
3. The CLT may be able to help you avoid foreclosure by curing default of your mortgage on your behalf.
 - a. True
 - b. False
4. Your nephew, who does not live with you, can inherit and take possession of your house, even though he does not income-qualify.
 - a. True
 - b. False
5. As the homeowner, you are responsible for paying the property taxes on both your home and land.
 - a. True
 - b. False



TEACHER NOTES

Quiz 1 Answers:

1. T
2. F
3. T
4. F
5. T

Review the answers of this quiz with attendees. Remind them that there will be an End of Module Exam.

End of Module Exam

1. Rights received when one receives title. These include possession, control, enjoyment, exclusion, and disposition?
 - a. Bundle of rights
 - b. Your name on the front door
 - c. The name of the property
 - d. None of the above
2. You are required to use the home you purchase as your primary residence
 - a. True
 - b. False
3. What is the term of your ground lease?
 - a. Forever
 - b. 100 years
 - c. 99 years
 - d. As long as you want
4. What kind of estate(s) does one receive in CLT homeownership?
 - a. Fee simple in land and improvements
 - b. Fee simple in land and leasehold on improvements
 - c. Leasehold on land and fee simple in improvements
 - d. Leasehold on land and improvements
5. Who pays taxes on the land?
 - a. You, the Homeowner
 - b. The CLT
 - c. The Homeowner and CLT split the bill
 - d. There are no taxes on the land
6. The CLT may be able to help you avoid foreclosure.
 - a. True
 - b. False
7. In a mortgage document, the lender is referred to as the
 - a. Mortgagee
 - b. Mortgagor
 - c. Lender
 - d. Financier
8. Your nephew, who does not live with you, can inherit and take possession of your house, even though he does not income-qualify
 - a. True
 - b. False
9. In a mortgage document, you the homeowner are referred to as the
 - a. Borrower
 - b. Mortgagor
 - c. Mortgagee
 - d. Recipient

10. What is the most common form of ownership?

- a. Fee simple
- b. Leasehold
- c. Life estate
- d. None of the above

11. You can sell your home to any buyer that can qualify for a mortgage

- a. True
- b. False

12. Since the CLT owns the land, the CLT functions like a landlord.

- a. True
- b. False

13. Which of these is part of the bundle of rights in title to real estate?

- a. Possession
- b. Disposition
- c. Exclusion
- d. All of the above

14. As a CLT homeowner, you are responsible for maintaining both your home and land.

- a. True
- b. False

15. If you want to make a major renovation to your home. What should you do?

- a. Proceed – it's your house!
- b. Contact the CLT to make sure your plans are allowable by the ground lease
- c. Wait until the ground lease ends
- d. None of the above



TEACHER NOTES

End of Module Exam Answers

- 1. A
- 2. T
- 3. C
- 4. C
- 5. A

- 6. T
- 7. A
- 8. F
- 9. C
- 10. A

- 11. F
- 12. F
- 13. D
- 14. T
- 15. B



Moving from CLT Homeownership to Market Homeownership:

A Financial Education Module for CLT Homeowners

Community land trust (CLT) homeownership will most likely put you in a better position to move into fee simple homeownership or market rate housing, should you desire. This desire may be driven by such things as changes in your family size or the need to be closer to a new job. This module is designed to help you financially prepare for this move. First, we will discuss selling procedures for CLT homes. Then we will provide tips for maintaining and improving your finances as you prepare for your next home purchase.

Selling your CLT Home

One of the benefits of owning a CLT home is the assistance you receive when selling your home. Ideally, your CLT should handle the entire process. The Florida Housing Coalition recommends that:

- ✓ When a CLT homeowner wishes to sell their home, they should notify the CLT of their intent to sell according to the ground lease.
- ✓ Upon receiving notice, the CLT should execute a purchase and sale agreement with the homeowner for the Formula Price in the ground lease.
- ✓ The CLT should identify a buyer for the property. This buyer should come from a list of current eligible buy-

ers identified through homebuyer education and counseling activities performed by the CLT and/or its partners, and perhaps even a waiting list of buyers.

- ✓ Once an income-eligible, mortgage-ready buyer is identified, the CLT should assign the purchase and sales contract to that buyer. The CLT should then continue to work with the buyer to close on the purchase.

If your CLT does not follow this procedure, you are still required to notify the CLT of your intent to sell according to the ground lease. Upon providing your notice, discuss resale procedures with your CLT, including your role in identifying a buyer and what assistance the CLT offers in the selling process. At a minimum, the CLT will ensure that the subsequent buyer is income-eligible.

What Can You Afford to Buy When You Sell?

To answer this question, you will need to estimate your equity at the time you plan to sell. To estimate equity, you will need to calculate two numbers:

1. Your resale price according to your ground lease
2. The principal balance of your mortgage at the time you plan to sell

Resale Price

Another benefit of CLT homeownership is the ability to calculate what you will be able to sell your house for at any time. This is called the Formula Price in your ground lease. It is often also referred to as your resale price.

All CLTs utilize three main types of formulas:

Appraisal based – the resale price is based on the change in appraised value; as the name implies, it requires an appraisal to accurately calculate

Fixed Rate – the resale price increases annually based on a fixed rate determined by the CLT; set to increase at a lower rate than the market

Indexed Rate – the resale price increases annually based on a published index, such as the Consumer Price Index

Your specific resale price can be calculated based on the formula in Section 10.10 of your ground lease. To illustrate how to calculate your resale price, let's apply the three formula options to the following scenario:

Suppose you purchased your home for \$160,000. You plan to sell your home in 10 years. Your home initially appraised for \$180,000 and you estimate it will appraise for \$240,000 in 10 years based on current market trends. When you purchased, you qualified for \$10,000 in repayable down payment assistance from your local government, which provided the down payment assistance to the CLT on your behalf. This down payment assistance reduced the sales price of your home. The down payment assistance will not be required to be repaid as long the house is sold to another income-eligible buyer and you are not otherwise in default of the ground lease. Additionally, you contributed \$4,000 of your own funds towards the purchase of the home.

Resale Scenario 1 – Appraisal-Based

Follow the steps in the table below to determine the resale price for a ground lease with an appraisal-based formula, that allows you to receive 25% of the appreciated (increase in) value.

1	Homeowner's Initial Purchase Price	\$160,000
2	Homeowner's Based Price (Reduction in Sales Price = Initial Sales Price – Down Payment Assistance Amount)	$\$160,000 - \$10,000 = \$150,000$
3	Initial Appraised Value	\$180,000
4	Homeowner's Share of the Initial Purchase Price (Line 2 ÷ Line 3)	$\$150,000 / \$180,000 = 83\% \text{ or } 0.83$
5	Estimated Appraised Value in Anticipated Year of Resale	\$240,000
6	Total Appreciation (Line 5-Line 3)	$\$240,000 - \$180,000 = \$60,000$
7	Portion of Appreciation to be shared (Line 6 x Line 4)	$\$60,000 \times 0.83 = \$49,800$
8	Homeowner's Share of the Appreciation (Line 7 x 25%)	$\$49,800 \times .25 = \$12,450$
9	Resale Price (Line 2 + Line 8)	$\$150,000 + \$12,450 = \$162,450$

So, in ten years, with this appraisal-based formula, you can plan for selling your house for around \$162,450. Remember your purchase price of \$160,000 was further reduced by \$10,000.

Resale Scenario 2 – Fixed Rate

Follow the steps in the table below to determine the resale price for a ground lease with formula that allows for a 1% annual increase in the sales price on each anniversary of the original purchase. The increase compounds, which means the increase is applied to the current year's resale price.

1	Homeowner's Initial Purchase Price	\$160,000
2	Homeowner's Based Price (Reduction in Sales Price = Initial Sales Price – Down Payment Assistance Amount)	$\$160,000 - \$10,000 = \$150,000$
3	Compound rate	1% or 0.01
4	Resale Value using Compound Rate (multiply Line 2 x (1 + Line 3); multiply product x (1 + Line 3) as many more times to equal total number of years in house – in this case, repeat 9 times for a total of 10)	$\$150,000 \times 1.01 = \$151,500$ $\$151,500 \times 1.01 = \$153,015$ $\$153,015 \times 1.01 = \$154,545$ $\$154,545 \times 1.01 = \$156,090$ $\$156,090 \times 1.01 = \$157,652$ $\$157,652 \times 1.01 = \$159,228$ $\$159,228 \times 1.01 = \$160,820$ $\$160,820 \times 1.01 = \$162,429$ $\$162,429 \times 1.01 = \$165,693$ $\$165,693 \times 1.01 = \$167,350$

So, in ten years, with this fixed-rate formula, you can plan for selling your house for around \$167,350, an increase of \$17,350 from your reduced sales price of \$150,000. Resale formulas utilizing a fixed rate are desirable, as they can be calculated accurately at any time, and do not involve any estimated values or third-party reports.

Resale Scenario 3 – Indexed Rate

Follow the steps in the table below to determine the resale price for a ground lease with formula that allows for increase in the sales price on each anniversary of the original purchase based on the most recent reported percentage change in the Consumer Price Index at the time of purchase. At press time, this is 2.2% , so we will use this figure for the illustration. The increase compounds, which means the increase is applied to the current year's resale price.

1	Homeowner's Initial Purchase Price	\$160,000
2	Homeowner's Based Price (Reduction in Sales Price = Initial Sales Price – Down Payment Assistance Amount)	$\$160,000 - \$10,000 = \$150,000$
3	Compound rate	1% or 0.01
4	Resale Value using Compound Rate (multiply Line 2 x (1 + Line 3); multiply product x (1 + Line 3) as many more times to equal total number of years in house – in this case, repeat 9 times for a total of 10)	$\$150,000 \times 1.022 = 153,300$ $\$153,300 \times 1.022 = \$156,673$ $\$156,673 \times 1.022 = \$160,119$ $\$160,116 \times 1.022 = \$163,642$ $\$163,642 \times 1.022 = \$167,242$ $\$167,242 \times 1.022 = \$170,921$ $\$170,921 \times 1.022 = \$174,682$ $\$174,682 \times 1.022 = \$178,525$ $\$178,525 \times 1.022 = \$182,452$ $\$182,452 \times 1.022 = \$186,466$

So, in ten years, with this fixed-rate formula, you can plan for selling your house for around \$186,466, an increase of \$36,366 from your reduced purchase price of \$150,000.

Mortgage Principal Reduction

Now that you understand how to calculate your resale price, you next need to determine your principal balance at the time of resale. There are several tools you can use to get this figure. However, before we get to that, let's quickly review the elements of your monthly mortgage payment. Your monthly payment will always include the following two elements:

Principal – the amount applied towards the balance of the loan

Interest – the amount applied towards payment of loan interest, based on your loan interest rate

The other common elements are for escrows. These are amounts that the lender collects and pays on your behalf, which also protects the lender's investment. These are:

Property Taxes – lenders will estimate your annual property tax amount and collect the amount in monthly installments

Property Insurance – lenders require property insurance, and will collect the annual premium amount in monthly installments

Mortgage Insurance – If you borrowed over 80% of the value of the loan, you may be required to have private mortgage insurance, with coverage paid through a monthly premium.

These elements together are commonly referred to in the acronym PITI + MIP. That is principal, interest, taxes, insurance plus mortgage insurance premium. If you have a fixed rate mortgage, the amount of your monthly payment associated with principal and interest will remain the same throughout the entire term of the loan. Over time, more and more of that amount will get applied to reducing the principal balance. However, at the beginning of your term, most of your payment goes towards interest. You can see this monthly by reading your loan statement. In the first years of making payments, your principal balance reduces very little.

As mentioned, you can use several tools to find your principal balance in the year you intend to sale. We recommend using web-based tools, such as Bankrate to produce what is called an amortization schedule based on key terms of your loan. The amortization schedule will tell you what your principal balance is at any given time over the term of your loan.

Going back to our scenario, and keeping it simple, assume you borrowed \$156,000, that is \$160,000 plus \$10,000 in selling costs, minus \$10,000 in down payment assistance and minus \$4,000 in your own cash. Assume your interest rate was 4.5% on a fixed rate loan with a 30-year term. With this information, you can use Bankrate's web tool to determine your principal balance at year 10. Using the tool, when you make your payment in December 2029, your principal balance will be \$120,996, for a total principal reduction of \$35,004.

Proceeds at Resale

Now that you know your resale price, and your total principal reduction, you can estimate your proceeds at resale. This is the amount you can expect to use towards purchase of your next house. Suppose your ground lease uses the fixed-rate formula above. You can estimate your proceeds at resale to be:

You can estimate in ten years, you will make \$42,313 from the sale of your CLT home to apply to the purchase of your next home.

Increase in sales price	\$17,350
PLUS Principal reduction	+ \$35,004
MINUS Selling Costs (about 6% of sales price)	– \$10,041
TOTAL PROCEEDS	= \$42,313

Now to the original question: what can you afford to buy when you sell? This requires the same considerations as at the time of your CLT home purchase.

What is your income? While it is difficult to forecast your income years into the future, you can make some assumptions. If you are pursuing more education to increase your earning potential, planning a change to a higher-paying career, or planning to pursue promotion in your current line of work, you can assume your income will increase over time. Your estimate of your monthly income at the time you sell, will be the primary factor in determining the monthly payment (PITI plus MIP, if required) you can afford.

How much have you saved? Your income, combined with lifestyle choices, will also determine how much you

can save through the time you intend to sell your home. Your savings combined with your proceeds from the sale of your CLT home will be used to make the down payment on your next home.

What is your credit? You should aim to maintain or, if possible, improve your credit during the years you own your CLT home. As you may recall, your credit score is the result of a mathematical formula based on the following components:

- ✓ Payment history
- ✓ Level of indebtedness
- ✓ Length of credit history
- ✓ Types of credit in use
- ✓ Pursuit of new credit

Payment history and level of indebtedness make up most of your credit score. Therefore, it is important that you take advantage of your increasing income and level monthly payment to maintain a good payment history and eliminate or reduce debt. Fewer or no debt payments can greatly increase your buying power. For instance, if you use your time in your CLT home to pay off a car loan, and then not replace that car loan with a new debt, the amount you once paid towards the car loan could now go towards a higher monthly mortgage payment.

It may be tempting as a new homeowner to obtain and use credit cards to buy items for your home, or to purchase a new car to match your new home. These things could negatively affect your credit in the short term and prevent you from purchasing your desired next home in the long run. Things you should do to maintain your credit (and overall finances) as you prepare for fee simple homeownership:

Make your debt payments on time. Payment history is the largest component of your credit score. For credit cards, it is also advisable to pay more than the minimum payment monthly, as it may not even cover your interest.

Resolve any past due, collection or judgment accounts. If any monthly bills are past due, do your best to catch them up as soon as possible. Then pay off judgment and collection accounts. Judgments are particularly problematic, as the creditor could potentially place a lien against your home if the debt is not paid.

Monitor your credit card balances. Generally, keeping balances to 50% of your available credit or less will help you maintain or improve your credit score.

Monitor your credit report. You can do this by obtaining annual credit reports from the three major credit bureaus: Equifax, Experian and TransUnion. You are entitled to receive one FREE report annually, which you can obtain at www.annualcreditreport.com. You can get the reports from the site once every 12 months (from the date of your initial use of the service). Check your reports annually to determine if any errors are dragging your credit score down.

Moving Up and Moving On

Armed with the knowledge of how to calculate your resale price, principal loan reduction amount, and estimated proceeds at resale along with good personal financial practices, you can successfully plan another home purchase. Soon you will be moving up and moving on to fee simple homeownership, and another income-eligible household can enjoy and benefit from your CLT home as you did.



TEACHER NOTES

End of Module Exam Answers

- | | |
|------|--------------|
| 1. B | 5. B |
| 2. D | 6. \$168,161 |
| 3. B | 7. \$13,071 |
| 4. A | |

End of Module Exam

1. You've made a final decision to sell your home. What should you do first?

- a. List your home right away
- b. Notify your CLT of your intent to sell
- c. Enter a contract on your next home
- d. None of the above

2. What are some elements of your credit score?

- a. Payment history
- b. Length of credit history
- c. Level of indebtedness
- d. All of the above

3. What does the acronym PITI stand for?

- a. Principal, Interest, Testaments, Insurance
- b. Principal, Interest, Taxes, Insurance
- c. Principal, Inheritance, Taxes and Insurance
- d. None of the above

4. What are the 3 main types of resale formulas?

- a. Appraisal, Fixed, Indexed
- b. Addition, Fixed, Indexed
- c. Appraisal, Fixed, Interest
- d. None of the above

5. Where can you get your free annual credit report from all three major credit bureaus?

- a. Freecreditreport.com
- b. Annualcreditreport.com
- c. Allcreditreports.com
- d. None of the above

6. You purchased your CLT home for \$175,000. You received \$15,000 in down payment assistance to lower your sales price. You also contributed \$5,000 in cash towards your purchase. The resale formula in your ground lease allows for an increase in price of 1% annually. You plan to sell your house in 5 years. Use the table below to calculate your resale price, rounding to the nearest dollar.

- 1. Homeowner's Initial Purchase Price
- 2. Homeowner's Base Price (Reduction in Sales Price = Purchase Price – Down Payment Assistance Amount)
- 3. Compound Rate in decimal form
- 4. Resale Value using Compound Rate (multiply Line 2 x (1 + Line 3); multiply product x (1 + Line 3) as many more times to equal total number of years in house)

7. Continuing the scenario from Question 6, suppose you calculate you will reduce your mortgage by \$15,000 in five years. Assuming selling costs of 6% of the sales price, what are the estimated proceeds from your sale? Round to the nearest dollar.

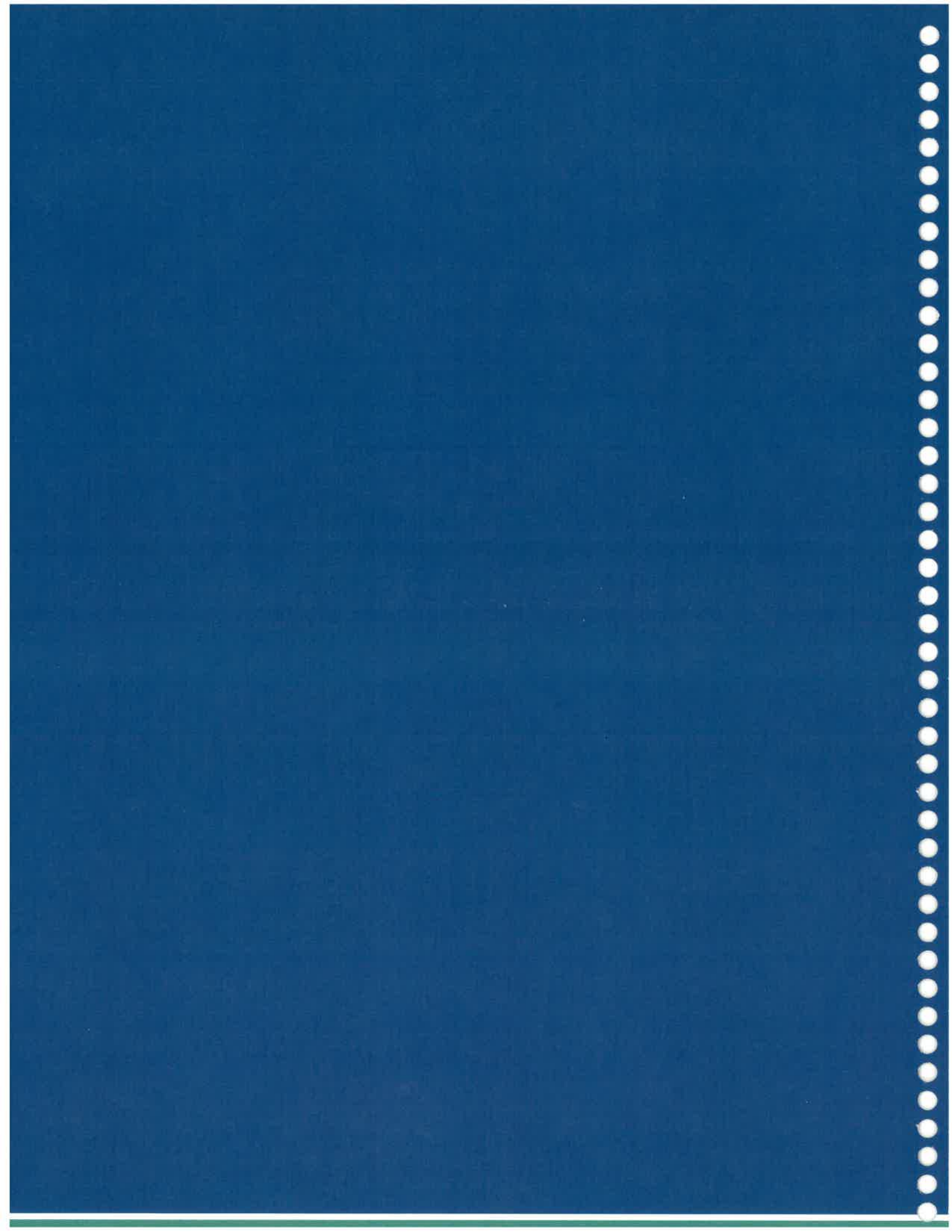
- 1. Increase in sales price (Question 6, Line 4 – Question 6, Line 2)
- 2. Principal reduction amount
- 3. Selling Costs (Line 1 x 6%)
- 4. Proceeds = Line 1 + Line 2 – Line 3

NOTES

Lined area for notes, consisting of multiple horizontal lines.

APPENDIX A:

FORM OF GROUND LEASE



Chapter 11-A

THE 2011 CLT NETWORK MODEL GROUND LEASE

TABLE OF CONTENTS

RECITALS

DEFINITIONS

ARTICLE 1: Homeowner's Letter of Agreement and Attorney's Letter of Acknowledgment are Attached as Exhibits.

ARTICLE 2: Leasing of Rights to the Land

- 2.1 CLT Leases the Land to Homeowner
- 2.2 Mineral Rights Not Leased to Homeowner

ARTICLE 3: Term of Lease, Change of Land Owner

- 3.1 Term of Lease is 99 Years
- 3.2 Homeowner Can Renew Lease for Another 99 Years
- 3.3 What Happens if the CLT Decides to Sell the Leased Land

ARTICLE 4: Use of Leased Land

- 4.1 Homeowner May Use the Home Only for Residential and Related Purposes
- 4.2 Homeowner Must Use the Home and Leased Land Responsibly and in Compliance with the Law
- 4.3 Homeowner is Responsible for Use By Others
- 4.4 Homeowner Must Occupy the Home for at Least ____ Months Each Year
- 4.5 Leased Land May Not Be Subleased Without the CLT's Permission
- 4.6 CLT Has a Right to Inspect the Leased Land
- 4.7 Homeowner Has a Right to Quiet Enjoyment

ARTICLE 5: Lease Fee

- 5.1 Amount of Lease Fee
- 5.2 When the Lease Fee is to Be Paid
- 5.3 How the Amount of the Land Use Fee Has Been Determined
- 5.4 CLT May Reduce or Suspend the Lease Fee to Improve Affordability
- 5.5 Fees May Be Increased from Time to Time
- 5.6 Land Use Fee Will Be Increased if Restrictions are Removed
- 5.7 If Payment is Late, Interest Can Be Charged
- 5.8 CLT Can Collect Unpaid Fees When Home is Sold

ARTICLE 6: Taxes and Assessments

- 6.1 Homeowner is Responsible for Paying All Taxes and Assessments
- 6.2 CLT Will Pass On Any Tax Bills It Receives to Homeowner
- 6.3 Homeowner Has A Right to Contest Taxes
- 6.4 If Homeowner Fails to Pay Taxes, CLT May Increase Lease Fee
- 6.5 Party That Pays Taxes Must Show Proof

ARTICLE 7: The Home

- 7.1 Homeowner Owns the House and All Other Improvements on the Leased Land
- 7.2 Homeowner Purchases Home When Signing Lease
- 7.3 Construction Carried Out By Homeowner Must Comply with Certain Requirements
- 7.4 Homeowner May Not Allow Statutory Liens to Remain Against Leased Land or Home
- 7.5 Homeowner is Responsible for Services, Maintenance and Repairs
- 7.6 A Repair Reserve Fund is Established to Support Future Repairs
[This section must either be completed in accordance with the CLT's repair reserve policy, or omitted entirely. See Commentary on this Section 7.6.]
- 7.7 When Lease Ends, Ownership Reverts To CLT, Which Shall Reimburse Homeowner

ARTICLE 8: Financing

- 8.1 Homeowner Cannot Mortgage the Home Without the CLT's Permission
- 8.2 By Signing Lease, the CLT Gives Permission for Original Mortgage
- 8.3 Homeowner Must Get Specific Permission for Refinancing or Other Subsequent Mortgages
- 8.4 CLT is Required to Permit a "Standard Permitted Mortgage"
- 8.5 A Permitted Mortgagee Has Certain Obligations Under the Lease
- 8.6 A Permitted Mortgagee Has Certain Rights Under the Lease
- 8.7 In The Event of Foreclosure, Any Proceeds in Excess of the Purchase Option Price Will Go to the CLT

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

- 9.1 Homeowner Assumes All Liability
- 9.2 Homeowner Must Defend the CLT Against All Claims of Liability
- 9.3 Homeowner Must Reimburse the CLT
- 9.4 Homeowner Must Insure the Home Against Loss and Must Maintain Liability Insurance on Home and Leased Land
- 9.5 What Happens if Home is Damaged or Destroyed
- 9.6 What Happens if Some or All of the Land is Taken for Public Use
- 9.7 If Part of the Land is Taken, the Lease Fee May Be Reduced
- 9.8 If the Lease is Terminated By Damage, Destruction, or Taking, the CLT Will Try to Help Homeowner Buy Another CLT Home

ARTICLE 10: Transfer of the Home

- 10.1 Intent of this Article is to Preserve Affordability
- 10.2 Homeowner May Transfer Home Only to CLT or Qualified Persons
- 10.3 The Home May Be Transferred to Certain Heirs of Homeowner
- 10.4 Homeowner's Notice of Intent to Sell
- 10.5 CLT Has an Option to Purchase the Home
- 10.6 If Purchase Option Expires, Homeowner May Sell on Certain Terms
- 10.7 After One Year CLT Shall Have Power of Attorney to Conduct Sale
- 10.8 Purchase Option Price Equals Lesser of Appraised Value of Homeowner's Ownership Interest or Formula Price
- 10.9 How the Value of Homeowner's Ownership Interest is Determined
- 10.10 How the Formula Price is Calculated
- 10.11 Qualified Purchaser Shall Receive New Lease
- 10.12 Purchaser May Be Charged a Transfer Fee
- 10.13 Homeowner Required to Make Necessary Repairs at Transfer

ARTICLE 11: Reserved

ARTICLE 12: Default

- 12.1 What Happens if the Homeowner Fails to Make Required Payments to the CLT?
- 12.2 What Happens if the Homeowner Violates Other (Nonmonetary) Terms of the Lease?
- 12.3 What Happens if the Homeowner Defaults as a Result of Judicial Process?
- 12.4 A Default (Uncured Violation) Gives the CLT the Right to Terminate the Lease or Exercise its Purchase Option

ARTICLE 13: Mediation and Arbitration

- 13.1 Mediation and Arbitration are Permitted
- 13.2 The Homeowner and CLT Shall Share Any Mediation or Arbitration Cost

ARTICLE 14: General Provisions

- 14.1 Homeowner's Membership in CLT
- 14.2 Notices
- 14.3 No Brokerage
- 14.4 Severability and Duration of Lease
- 14.5 Right of First Refusal in Lieu of Option
- 14.6 Waiver
- 14.7 CLT's Right to Prosecute or Defend
- 14.8 Construction
- 14.9 Headings and Table of Contents
- 14.10 Parties Bound
- 14.11 Governing Law
- 14.12 Recording

Exhibits That Must Be Attached

- Exhibit Letters of Agreement and Attorney's Acknowledgment
- Exhibit Leased Land Exhibit Deed
- Exhibit Permitted Mortgages
- Exhibit First Refusal

Other Exhibits to be Attached as Appropriate

- Exhibit Zoning
- Exhibit Restrictions
- Exhibit Initial Appraisal

APPENDIX: Alternative versions of Article 10

MODEL CLT LEASE

THIS LEASE ("this Lease" or "the Lease") entered into this _____ day of _____, 20____, between COMMUNITY LAND TRUST ("CLT") and _____ ("Homeowner").

RECITALS

- A. The CLT is organized exclusively for charitable purposes, including the purpose of providing homeownership opportunities for low and moderate income people who would otherwise be unable to afford homeownership.
- B. A goal of the CLT is to preserve affordable homeownership opportunities through the long-term leasing of land under owner-occupied homes.
- C. The Leased Land described in this Lease has been acquired and is being leased by the CLT in furtherance of this goal.
- D. The Homeowner shares the purposes of the CLT and has agreed to enter into this Lease not only to obtain the benefits of homeownership, but also to further the charitable purposes of the CLT.
- E. Homeowner and CLT recognize the special nature of the terms of this Lease, and each of them accepts these terms, including those terms that affect the marketing and resale price of the property now being purchased by the Homeowner.
- F. Homeowner and CLT agree that the terms of this Lease further their shared goals over an extended period of time and through a succession of owners.

NOW THEREFORE, Homeowner and CLT agree on all of the terms and conditions of this Lease as set forth below.

DEFINITIONS: Homeowner and CLT agree on the following definitions of key terms used in this Lease.

Leased Land: the parcel of land, described in Exhibit: LEASED LAND, that is leased to the Homeowner.

Home: the residential structure and other permanent improvements located on the Leased Land and owned by the Homeowner, including both the original Home described in Exhibit: DEED, and all permanent improvements added thereafter by Homeowner at Homeowner's expense.

Base Price: the total price that is paid for the Home by the Homeowner (including the amount provided by a first mortgage loan but not including subsidy in the form of deferred loans to the Homeowner).

Purchase Option Price: the maximum price the Homeowner is allowed to receive for the sale of the Home and the Homeowner's right to possess, occupy and use the Leased Land, as defined in Article 10 of this Lease.

Lease Fee: The monthly fee that the Homeowner pays to the CLT for the continuing use of the Leased Land and any additional amounts that the CLT charges to the Homeowner for reasons permitted by this Lease.

Permitted Mortgage: A mortgage or deed of trust on the Home and the Homeowner's right to possess, occupy and use the Leased Land granted to a lender by the Homeowner with the CLT's Permission. The Homeowner may not mortgage the CLT's interest in the Leased Land, and may not grant any mortgage or deed of trust without CLT's Permission.

Event of Default: Any violation of the terms of the Lease unless it has been corrected (“cured”) by Homeowner or the holder of a Permitted Mortgage in the specified period of time after a written Notice of Default has been given by CLT.

ARTICLE 1: Homeowner’s Letter of Agreement and Attorney’s Letter of Acknowledgment are Attached as Exhibits.

Attached as Exhibit HOMEOWNER’S LETTER OF AGREEMENT AND ATTORNEY’S LETTER OF ACKNOWLEDGMENT and made part of this Lease by reference are a Letter of Agreement from the Homeowner, describing the Homeowner’s understanding and acceptance of this Lease (including the parts of the Lease that affect the resale of the Home), and a Letter of Acknowledgment from the Homeowner’s attorney, describing the attorney’s review of the Lease with the Homeowner.

ARTICLE 2: Leasing of Rights to the Land

2.1 CLT LEASES THE LAND TO HOMEOWNER: The CLT hereby leases to the Homeowner, and Homeowner hereby accepts, the right to possess, occupy and use the Leased Land (described in the attached Exhibit LEASED LAND) in accordance with the terms of this Lease. CLT has furnished to Homeowner a copy of the most current title report, if any, obtained by CLT for the Leased Land, and Homeowner accepts title to the Leased Land in its condition “as is” as of the signing of this Lease.

2.2 MINERAL RIGHTS NOT LEASED TO HOMEOWNER: CLT does not lease to Homeowner the right to remove from the Leased Land any minerals lying beneath the Leased Land’s surface. Ownership of such minerals remains with the CLT, but the CLT shall not remove any such minerals from the Leased Land without the Homeowner’s written permission.

ARTICLE 3: Term of Lease, Change of Land Owner

3.1 TERM OF LEASE IS 99 YEARS: This Lease shall remain in effect for 99 years, beginning on the ____ day of _____, 20 ____, and ending on the ____ day of _____, 20 ____, unless ended sooner or renewed as provided below.

3.2 HOMEOWNER CAN RENEW LEASE FOR ANOTHER 99 YEARS: Homeowner may renew this Lease for one additional period of 99 years. The CLT may change the terms of the Lease for the renewal period prior to the beginning of the renewal period but only if these changes do not materially and adversely interfere with the rights possessed by Homeowner under the Lease. Not more than 365 nor less than 180 days before the last day of the first 99- year period, CLT shall give Homeowner a written notice that states the date of the expiration of the first 99-year period and the conditions for renewal as set forth in the following paragraph (“the Expiration Notice”). The Expiration Notice shall also describe any changes that CLT intends to make in the Lease for the renewal period as permitted above.

The Homeowner shall then have the right to renew the Lease only if the following conditions are met: (a) within 60 days of receipt of the Expiration Notice, the Homeowner shall give CLT written notice stating the Homeowner’s desire to renew (“the Renewal Notice”); (b) this Lease shall be in effect on the last day of the original 99-year term, and (c) the Homeowner shall not be in default under this Lease or under any Permitted Mortgage on the last day of the original 99-year term.

When Homeowner has exercised the option to renew, Homeowner and CLT shall sign a memorandum stating that the option has been exercised. The memorandum shall comply with the requirements for a notice of lease as stated in Section 14.12 below. The CLT shall record this memorandum in accordance with the requirements of law promptly after the beginning of the renewal period.

3.3 WHAT HAPPENS IF CLT DECIDES TO SELL THE LEASED LAND: If ownership of the Leased Land is ever transferred by CLT (whether voluntarily or involuntarily) to any other person or institution, this Lease shall not cease, but shall remain binding on the new land- owner as well as the Homeowner. If CLT agrees to transfer the Leased Land to any person or institution other than a non-profit corporation, charitable trust, government agency or other similar institution sharing the goals described in the Recitals above, the Homeowner shall have a right of first refusal to purchase the Leased Land. The details of this right shall be as stated in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Land

4.1 HOMEOWNER MAY USE THE HOME ONLY FOR RESIDENTIAL AND RELATED PURPOSES: Homeowner shall use, and allow others to use, the Home and Leased Land only for residential purposes and any activities related to residential use that were permitted by local zoning law when the Lease was signed, as indicated in the attached Exhibit ZONING.

[To be added when needed: Use of the Leased Land shall be further limited by the restrictions described in the attached Exhibit RESTRICTIONS.]

4.2 HOMEOWNER MUST USE THE HOME AND LEASED LAND RESPONSIBLY AND IN COMPLIANCE WITH THE LAW: Homeowner shall use the Home and Leased Land in a way that will not cause harm to others or create any public nuisance. Homeowner shall dispose of all waste in a safe and sanitary manner. Homeowner shall maintain all parts of the Home and Leased Land in safe, sound and habitable condition, in full compliance with all laws and regulations, and in the condition that is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 HOMEOWNER IS RESPONSIBLE FOR USE BY OTHERS: Homeowner shall be responsible for the use of the Home and Leased Land by all residents and visitors and anyone else using the Leased Land with Homeowner's permission and shall make all such people aware of the restrictions on use set forth in this Lease.

4.4 HOMEOWNER MUST OCCUPY THE HOME FOR AT LEAST ____ MONTHS EACH YEAR: Homeowner shall occupy the Home for at least ____ months of each year of this Lease, unless otherwise agreed by CLT. Occupancy by Homeowner's child, spouse *[or domestic partner, in states with such legislation]* or other persons approved by CLT shall be considered occupancy by Homeowner. Neither compliance with the occupancy requirement nor CLT's permission for an extended period of non-occupancy constitutes permission to sublease the Leased Land and Home, which is addressed in Section 4.5 below.

4.5 LEASED LAND MAY NOT BE SUBLEASED WITHOUT CLT'S PERMISSION. Except as otherwise provided in Article 8 and Article 10, Homeowner shall not sublease, sell or otherwise convey any of Homeowner's rights under this Lease, for any period of time, without the written permission of CLT. Homeowner agrees that CLT shall have the right to withhold such consent in order to further the purposes of this Lease.

If permission for subleasing is granted, the sublease shall be subject to the following conditions.

- a) Any sublease shall be subject to all of the terms of this Lease.
- b) The rental or occupancy fee charged the sub-lessee shall not be more than the amount of the Lease Fee charged the Homeowner by the CLT, plus an amount approved by CLT to cover Homeowner's costs in owning the Home, including but not limited to the cost of taxes, insurance and mortgage interest.

4.6 CLT HAS A RIGHT TO INSPECT THE LEASED LAND: The CLT may inspect any part of the Leased Land except the interiors of fully enclosed buildings, at any reasonable time, after notifying the Homeowner at least 24 hours before the

planned inspection. No more than ____ regular inspections may be carried out in a single year, except in the case of an emergency. In an emergency, the CLT may inspect any part of the Leased Land except the interiors of fully enclosed buildings, after making reasonable efforts to inform the Homeowner before the inspection.

If the CLT has received an Intent-To-Sell Notice (as described in Section 10.4 below), then the CLT has the right to inspect the interiors of all fully enclosed buildings to determine their condition prior to the sale. The CLT must notify the Homeowner at least 24 hours before carrying out such inspection.

4.7 HOMEOWNER HAS A RIGHT TO QUIET ENJOYMENT: Homeowner has the right to quiet enjoyment of the Leased Land. The CLT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Homeowner in any way not permitted by this Lease.

ARTICLE 5: Lease Fee

5.1 AMOUNT OF LEASE FEE: The Homeowner shall pay a monthly Lease Fee in an amount equal to the sum of (a) a Land Use Fee of \$_____ to be paid in return for the continuing right to possess, occupy and use the Leased Land, plus (b) a Repair Reserve Fee of

\$_____ to be held by the CLT and used for the purpose of preserving the physical quality of the Home for the long term in accordance with Section 7.6 below.

5.2 WHEN THE LEASE FEE IS TO BE PAID: The Lease Fee shall be payable to CLT on the first day of each month for as long as this Lease remains in effect, unless the Lease Fee is to be escrowed and paid by a Permitted Mortgagee, in which case payment shall be made as directed by that Mortgagee.

5.3 HOW THE AMOUNT OF THE LAND USE FEE HAS BEEN DETERMINED: The amount of the Land Use Fee stated in Section 5.1 above has been determined as follows. First, the approximate monthly fair rental value of the Leased Land has been established, as of the beginning of the Lease term, recognizing that the fair rental value is reduced by certain restrictions imposed by the Lease on the use of the Land. Then the affordability of this monthly amount, plus the amount of the Repair Reserve Fee, for the Homeowner has been analyzed and, if necessary, the Land Use has been reduced to an amount considered to be affordable for Homeowner.

5.4 CLT MAY REDUCE OR SUSPEND THE LEASE FEE TO IMPROVE AFFORDABILITY: CLT may reduce or suspend the total amount of the Lease Fee for a period of time for the purpose of improving the affordability of the Homeowner's monthly housing costs. Any such reduction or suspension must be in writing and signed by CLT.

5.5 FEES MAY BE INCREASED FROM TIME TO TIME: The CLT may increase the amount of the Land Use Fee and/or the Repair Reserve Fee from time to time, but not more often than once every ____ years. Each time such amounts are increased, the total percentage of increase since the date this Lease was signed shall not be greater than the percentage of increase, over the same period of time, in the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Land is located, or, if none, for urban areas the size of _____.

5.6 LAND USE FEE WILL BE INCREASED IF RESTRICTIONS ARE REMOVED: If, for any reason, the provisions of Article 10 regarding transfers of the Home or Sections 4.4 and 4.5 regarding occupancy and subleasing are suspended or invalidated for any period of time, then during that time the Land Use Fee shall be increased to an amount calculated by CLT to equal the fair rental value of the Leased Land for use not restricted by the suspended provisions, but initially an

amount not exceeding _____ dollars. Such increase shall become effective upon CLT's written notice to Homeowner. Thereafter, for so long as these restrictions are not reinstated in the Lease, the CLT may, from time to time, further increase the amount of such Land Use Fee, provided that the amount of the Land Use Fee does not exceed the fair rental value of the property, and provided that such increases do not occur more often than once in every _____ years.

5.7 IF PAYMENT IS LATE, INTEREST CAN BE CHARGED: If the CLT has not received any monthly installment of the Lease Fee on or before the date on which the such installment first becomes payable under this Lease (the "Due Date"), the CLT may require Homeowner to pay interest on the unpaid amount from the Due Date through and including the date such payment or installment is received by CLT, at a rate not to exceed _____. *[Specify either a fixed %, an index such as prime rate of a particular institution, or a legally established limit]*. Such interest shall be deemed additional Lease Fee and shall be paid by Homeowner to CLT upon demand; provided, however, that CLT shall waive any such interest that would otherwise be payable to CLT if such payment of the Lease Fee is received by CLT on or before the thirtieth (30th) day after the Due Date.

5.8 CLT CAN COLLECT UNPAID FEES WHEN HOME IS SOLD: In the event that any amount of payable Lease Fee remains unpaid when the Home is sold, the outstanding amount of payable Lease Fee, including any interest as provided above, shall be paid to CLT out of any proceeds from the sale that would otherwise be due to Homeowner. The CLT shall have, and the Homeowner hereby consents to, a lien upon the Home for any unpaid Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Mortgages as defined in section 8.1 below; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

ARTICLE 6: Taxes and Assessments

6.1 HOMEOWNER IS RESPONSIBLE FOR PAYING ALL TAXES AND ASSESSMENTS: Homeowner shall pay directly, when due, all taxes and governmental assessments that relate to the Home and the Leased Land (including any taxes relating to the CLT's interest in the Leased Land).

6.2 CLT WILL PASS ON ANY TAX BILLS IT RECEIVES TO HOMEOWNER: In the event that the local taxing authority bills CLT for any portion of the taxes on the Home or Leased Land, CLT shall pass the bill to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER HAS A RIGHT TO CONTEST TAXES: Homeowner shall have the right to contest the amount or validity of any taxes relating to the Home and Leased Land. Upon receiving a reasonable request from Homeowner for assistance in this matter, CLT shall join in contesting such taxes. All costs of such proceedings shall be paid by Homeowner.

6.4 IF HOMEOWNER FAILS TO PAY TAXES, CLT MAY INCREASE LEASE FEE: In the event that Homeowner fails to pay the taxes or other charges described in Section 6.1 above, CLT may increase Homeowner's Lease Fee to offset the amount of taxes and other charges owed by Homeowner. Upon collecting any such amount, CLT shall pay the amount collected to the taxing authority in a timely manner.

6.5 PARTY THAT PAYS TAXES MUST SHOW PROOF: When either party pays taxes relating to the Home or Leased Land, that party shall furnish satisfactory evidence of the payment to the other party. A photocopy of a receipt shall be the usual method of furnishing such evidence.

ARTICLE 7: The Home

7.1 HOMEOWNER OWNS THE HOUSE AND ALL OTHER IMPROVEMENTS ON THE LEASED LAND: All structures, including the house, fixtures, and other improvements purchased, constructed, or installed by the Homeowner on any part of the Leased Land at any time during the term of this Lease (collectively, the “Home”) shall be property of the Homeowner. Title to the Home shall be and remain vested in the Homeowner. However, Homeowner’s rights of ownership are limited by certain provisions of this Lease, including provisions regarding the sale or leasing of the Home by the Homeowner and the CLT’s option to purchase the Home. In addition, Homeowner shall not remove any part of the Home from the Leased Land without CLT’s prior written consent.

7.2 HOMEOWNER PURCHASES HOME WHEN SIGNING LEASE: Upon the signing of this Lease, Homeowner is simultaneously purchasing the Home located at that time on the Leased Land, as described in the Deed, a copy of which is attached to this Lease as Exhibit: DEED.

7.3 CONSTRUCTION CARRIED OUT BY HOMEOWNER MUST COMPLY WITH CERTAIN REQUIREMENTS: Any construction in connection with the Home is permitted only if the following requirements are met: (a) all costs shall be paid for by the Homeowner; (b) all construction shall be performed in a professional manner and shall comply with all applicable laws and regulations; (c) all changes in the Home shall be consistent with the permitted uses described in Article 4; (d) the footprint, square-footage, or height of the house shall not be increased and new structures shall not be built or installed on the Leased Land without the prior written consent of CLT.

For any construction requiring CLT’s prior written consent, Homeowner shall submit a written request to the CLT. Such request shall include:

- a) a written statement of the reasons for undertaking the construction;
- b) a set of drawings (floor plan and elevations) showing the dimensions of the proposed construction;
- c) a list of the necessary materials, with quantities needed;
- d) a statement of who will do the work;

If the CLT finds it needs additional information it shall request such information from Homeowner within two weeks of receipt of Homeowner’s request. The CLT then, within two weeks of receiving all necessary information (including any additional information it may have requested) shall give Homeowner either its written consent or a written statement of its reasons for not consenting. Before construction can begin, Homeowner shall provide CLT with copies of all necessary building permits, if not previously provided.

7.4 HOMEOWNER MAY NOT ALLOW STATUTORY LIENS TO REMAIN AGAINST LEASED LAND OR HOME: No lien of any type shall attach to the CLT’s title to the Leased Land. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Land or the Home which remains more than 60 days after it has been filed. Homeowner shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If Homeowner fails to discharge such lien within the 60-day period, then Homeowner shall immediately notify CLT of such failure. CLT shall have the right to discharge the lien by paying the amount in question. Homeowner may, at Homeowner’s expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond or other acceptable surety in an amount sufficient to release the Leased Land from such lien. Any amounts paid by CLT to discharge such liens shall be treated as an additional Lease Fee payable by Homeowner upon demand.

7.5 HOMEOWNER IS RESPONSIBLE FOR SERVICES, MAINTENANCE AND REPAIRS: Homeowner hereby assumes responsibility for furnishing all services or facilities on the Leased Land, including but not limited to heat, electricity, air conditioning and water. CLT shall not be required to furnish any services or facilities or to make any repairs to the Home. Homeowner shall maintain the Home and Leased Land as required by Section 4.2 above and shall see that all necessary repairs and replacements are accomplished when needed.

7.6 A REPAIR RESERVE FUND IS ESTABLISHED TO SUPPORT FUTURE REPAIRS:

[This section must either be completed in accordance with the CLT's repair reserve policy, or omitted entirely. See Commentary on this Section 7.6.]

7.7 WHEN LEASE ENDS, OWNERSHIP REVERTS TO CLT, WHICH SHALL REIMBURSE HOMEOWNER: Upon the expiration or termination of this Lease, ownership of the Home shall revert to CLT. Upon thus assuming title to the Home, CLT shall promptly pay Homeowner and Permitted Mortgagee(s), as follows:

FIRST, CLT shall pay any Permitted Mortgagee(s) the full amount owed to such mortgagee(s) by Homeowner;

SECOND, CLT shall pay the Homeowner the balance of the Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the CLT under the terms of this Lease. The Homeowner shall be responsible for any costs necessary to clear any additional liens or other charges related to the Home which may be assessed against the Home. If the Homeowner fails to clear such liens or charges, the balance due the Homeowner shall also be reduced by the amount necessary to release such liens or charges, including reasonable attorneys fees incurred by the CLT.

ARTICLE 8: Financing

8.1 HOMEOWNER CANNOT MORTGAGE THE HOME WITHOUT CLT's PERMISSION: The Homeowner may mortgage the Home only with the written permission of CLT. Any mortgage or deed of trust permitted in writing by the CLT is defined as a Permitted Mortgage, and the holder of such a mortgage or deed of trust is defined as a Permitted Mortgagee.

8.2 BY SIGNING LEASE, CLT GIVES PERMISSION FOR ORIGINAL MORTGAGE. By signing this Lease, CLT gives written permission for any mortgage or deed of trust signed by the Homeowner effective on the day this Lease is signed for the purpose of financing Homeowner's purchase of the Home.

8.3 HOMEOWNER MUST GET SPECIFIC PERMISSION FOR REFINANCING OR OTHER SUBSEQUENT MORTGAGES.

If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Permitted Mortgage or to finance home repairs or for any other purpose), Homeowner must inform CLT, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. The information to be provided to the CLT must include:

- a. the name of the proposed lender;
- b. Homeowner's reason for requesting the loan;
- c. the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;
- d. expected closing costs;
- e. the rate of interest;
- f. the repayment schedule;
- g. a copy of the appraisal commissioned in connection with the loan request.

CLT may also require Homeowner to submit additional information. CLT will not permit such a mortgage loan if the loan increases Homeowner's total mortgage debt to an amount greater than ____ % of the then current Purchase Option Price, calculated in accordance with Article 10 below, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the CLT.

8.4 CLT IS REQUIRED TO PERMIT A "STANDARD PERMITTED MORTGAGE." The CLT shall be required to permit any mortgage for which the mortgagee has signed a "Standard Permitted Mortgage Agreement" as set forth in "Exhibit: Permitted Mortgages, Part C," and for which the loan secured thereby does not increase Homeowner's total mortgage debt to an amount greater than ____ % of the then current Purchase Option Price, calculated in accordance with Article 10.

8.5 A PERMITTED MORTGAGEE HAS CERTAIN OBLIGATIONS UNDER THE LEASE. Any Permitted Mortgagee shall be bound by each of the requirements stated in "Exhibit: Permitted Mortgages, Part A, Obligations of Permitted Mortgagee," which is made a part of this Lease by reference, unless the particular requirement is removed, contradicted or modified by a Rider to this Lease signed by the Homeowner and the CLT to modify the terms of the Lease during the term of the Permitted Mortgage.

8.6 A PERMITTED MORTGAGEE HAS CERTAIN RIGHTS UNDER THE LEASE. Any Permitted Mortgagee shall have all of the rights and protections stated in "Exhibit: Permitted Mortgages, Part B, Rights of Permitted Mortgagee," which is made a part of this Lease by reference.

8.7 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE PURCHASE OPTION PRICE WILL GO TO CLT. Homeowner and CLT recognize that it would be contrary to the purposes of this agreement if Homeowner could receive more than the Purchase Option Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to CLT all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the property had been sold for the Purchase Option Price, calculated as described in Section 10.10 below. Homeowner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to CLT. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to CLT.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER ASSUMES ALL LIABILITY. Homeowner assumes all responsibility and liability related to Homeowner's possession, occupancy and use of the Leased Land.

9.2 HOMEOWNER MUST DEFEND CLT AGAINST ALL CLAIMS OF LIABILITY. Homeowner shall defend, indemnify and hold CLT harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Land. Homeowner waives all claims against CLT for injury or damage on or about the Leased Land. However, CLT shall remain liable for injury or damage due to the grossly negligent or intentional acts or omissions of CLT or CLT's agents or employees.

9.3 HOMEOWNER MUST REIMBURSE CLT. In the event the CLT shall be required to pay any sum that is the Homeowner's responsibility or liability, the Homeowner shall reimburse the CLT for such payment and for reasonable expenses caused thereby.

9.4 HOMEOWNER MUST INSURE THE HOME AGAINST LOSS AND MUST MAINTAIN LIABILITY INSURANCE ON HOME AND LEASED LAND. Homeowner shall, at Homeowner's expense, keep the Home continuously insured

against “all risks” of physical loss, using Insurance Services Office (ISO) Form HO 00 03, or its equivalent, for the full replacement value of the Home, and in any event in an amount that will not incur a coinsurance penalty. The amount of such insured replacement value must be approved by the CLT prior to the commencement of the Lease. Thereafter, if the CLT determines that the replacement value to be insured should be increased, the CLT shall inform the Homeowner of such required increase at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. If Homeowner wishes to decrease the amount of replacement value to be insured, Homeowner shall inform the CLT of the proposed change at least 30 days prior to the time such change would take effect. The change shall not take effect without CLT’s approval.

Should the Home lie in a flood hazard zone as defined by the National Flood Insurance Plan, the Homeowner shall keep in full force and effect flood insurance in the maximum amount available.

The Homeowner shall also, at its sole expense, maintain in full force and effect public liability insurance using ISO Form HO 00 03 or its equivalent in the amount of \$_____ per occurrence and in the aggregate. The CLT shall be named as an additional insured using ISO Form HO 04 41 or its equivalent, and certificates of insurance shall be delivered to the CLT prior to the commencement of the Lease and at each anniversary date thereof.

The dollar amounts of such coverage may be increased from time to time at the CLT’s request but not more often than once in any one-year period. CLT shall inform the Homeowner of such required increase in coverage at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. The amount of such increase in coverage shall be based on current trends in homeowner’s liability insurance coverage in the area in which the Home is located.

9.5 WHAT HAPPENS IF HOME IS DAMAGED OR DESTROYED. Except as provided below, in the event of fire or other damage to the Home, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Land is safe and that the damaged Home does not constitute a danger to persons or property.

If Homeowner, based on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than the full cost of necessary repairs and that Homeowner cannot otherwise afford to cover the balance of the cost of repairs, then Homeowner shall notify CLT of this problem, and CLT may then help to resolve the problem. Methods used to resolve the problem may include efforts to increase the available insurance proceeds, efforts to reduce the cost of necessary repairs, efforts to arrange affordable financing covering the costs of repair not covered by insurance proceeds, and any other methods agreed upon by both Homeowner and CLT.

If Homeowner and CLT cannot agree on a way of restoring the Home in the absence of adequate insurance proceeds, then Homeowner may give CLT written notice of intent to terminate the Lease. The date of actual termination shall be no less than 60 days after the date of Homeowner’s notice of intent to terminate. Upon termination, any insurance proceeds payable to Homeowner for damage to the Home shall be paid as follows.

FIRST, to the expenses of their collection;

SECOND, to any Permitted Mortgagee(s), to the extent required by the Permitted Mortgage(s);

THIRD, to the expenses of enclosing or razing the remains of the Home and clearing debris;

FOURTH, to the CLT for any amounts owed under this Lease;

FIFTH, to the Homeowner, up to an amount equal to the Purchase Option Price, as of the day prior to the loss, less any amounts paid with respect to the second, third, and fourth clauses above;

SIXTH, the balance, if any, to the CLT.

9.6 WHAT HAPPENS IF SOME OR ALL OF THE LAND IS TAKEN FOR PUBLIC USE. If all of the Leased Land is taken by eminent domain or otherwise for public purposes, or if so much of the Leased Land is taken that the Home is lost or damaged beyond repair, the Lease shall terminate as of the date when Homeowner is required to give up possession of the Leased Land. Upon such termination, the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Land that does not result in damage to the Home or significant reduction in the usefulness or desirability of the Leased Land for residential purposes, then any monetary compensation for such taking shall be allocated entirely to CLT.

In the event of a taking of a portion of the Leased Land that results in damage to the Home only to such an extent that the Home can reasonably be restored to a residential use consistent with this Lease, then the damage shall be treated as damage is treated in Section 9.5 above, and monetary compensation shall be allocated as insurance proceeds are to be allocated under Section 9.5.

9.7 IF PART OF THE LAND IS TAKEN, THE LEASE FEE MAY BE REDUCED. In the event of any taking that reduces the size of the Leased Land but does not result in the termination of the Lease, CLT shall reassess the fair rental value of the remaining Land and shall adjust the Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the Land for use as restricted by the Lease.

9.8 IF LEASE IS TERMINATED BY DAMAGE, DESTRUCTION OR TAKING, CLT WILL TRY TO HELP HOMEOWNER BUY ANOTHER CLT HOME. If this Lease is terminated as a result of damage, destruction or taking, CLT shall take reasonable steps to allow Homeowner to purchase another home on another parcel of leased land owned by CLT if such home can reasonably be made available. If Homeowner purchases such a home, Homeowner agrees to apply any proceeds or award received by Homeowner to the purchase of the home. Homeowner understands that there are numerous reasons why it may not be possible to make such a home available, and shall have no claim against CLT if such a home is not made available.

ARTICLE 10: Transfer of the Home

10.1 INTENT OF THIS ARTICLE IS TO PRESERVE AFFORDABILITY: Homeowner and CLT agree that the provisions of this Article 10 are intended to preserve the affordability of the Home for lower income households and expand access to homeownership opportunities for such households.

10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO CLT OR QUALIFIED PERSONS: Homeowner may transfer the Home only to the CLT or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers are to be completed only in strict compliance with this Article 10. Any purported transfer that does not follow the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Income-Qualified Person" shall mean a person or group of persons whose household income does not exceed ____ percent (____ %) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 THE HOME MAY BE TRANSFERRED TO CERTAIN HEIRS OF HOMEOWNER: If Homeowner dies (or if the last surviving co-owner of the Home dies), the executor or personal representative of Homeowner's estate shall notify CLT within ninety (90) days of the date of the death. Upon receiving such notice CLT shall consent to a transfer of the Home and Homeowner's rights to the Leased Land to one or more of the possible heirs of Homeowner listed below as "a," "b," or "c," provided that a Letter of Agreement and a Letter of Attorney's Acknowledgment (as described in Article 1 above) are submitted to CLT to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Homeowner; or
- b) the child or children of the Homeowner; or
- c) member(s) of the Homeowner's household who have resided in the Home for at least one year immediately prior to Homeowner's death.

Any other heirs, legatees or devisees of Homeowner, in addition to submitting Letters of Agreement and Attorney's Acknowledgment as provided above, must demonstrate to CLT's satisfaction that they are Income-Qualified Persons as defined above. If they cannot demonstrate that they are Income-Qualified Persons, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article.

10.4 HOMEOWNER MUST GIVE NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell Homeowner's Property, Homeowner shall notify CLT, in writing, of such wish (the Intent-to-Sell Notice). This Notice shall include a statement as to whether Homeowner wishes to recommend a prospective buyer as of the date of the Notice.

[Provision for required appraisal omitted.]

10.5 UPON RECEIVING NOTICE, CLT HAS AN OPTION TO PURCHASE THE HOME. Upon receipt of an Intent-to-Sell Notice from Homeowner, CLT shall have the option to purchase the Home at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Income-Qualified Persons while taking fair account of the investment by the Homeowner.

If CLT elects to purchase the Home, CLT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Intent-to-Sell Notice, or the Option shall expire. Having given such notice, CLT may either proceed to purchase the Home directly or may assign the Purchase Option to an Income-Qualified Person.

The purchase (by CLT or CLT's assignee) must be completed within sixty (60) days of CLT's Notice of Exercise of Option, or Homeowner may sell the Home and Homeowner's rights to the Leased Land as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of CLT and Homeowner.

Homeowner may recommend to CLT a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Agreement and Attorney's Acknowledgment indicating informed acceptance of the terms of this Lease. CLT shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless CLT determines that its charitable mission is better served by retaining the Home for another purpose or transferring the Home to another party.

10.6 IF PURCHASE OPTION EXPIRES, HOMEOWNER MAY SELL ON CERTAIN TERMS: If the Purchase Option has expired or if CLT has failed to complete the purchase within the sixty-day period allowed by Section 10.5 above, Homeowner may sell the Home to any Income-Qualified Person for not more than the then applicable Purchase Option Price. If Homeowner has made diligent efforts to sell the Home for at least six months after the expiration of the Purchase Option (or six months after the expiration of such sixty-day period) and the Home still has not been sold, Homeowner may then sell the Home, for a price no greater than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.7 AFTER ONE YEAR CLT SHALL HAVE POWER OF ATTORNEY TO CONDUCT SALE: If CLT does not exercise its option and complete the purchase of Homeowner's Property as described above, and if Homeowner (a) is not then residing in the Home and (b) continues to hold Homeowner's Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Intent to Sell Notice, Homeowner does hereby appoint CLT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Lease, sell the property, and pay to the Homeowner the proceeds of sale, minus CLT's costs of sale and any other sums owed CLT by Homeowner.

10.8 PURCHASE OPTION PRICE EQUALS LESSER OF APPRAISED VALUE OF HOMEOWNER'S OWNERSHIP INTEREST OR FORMULA PRICE: In no event may the Home be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the Appraised Value of Homeowner's Ownership Interest at Resale calculated in accordance with Section 10.9 below or (b) the Formula Price calculated in accordance with Section 10.10 below. If CLT does not choose to commission an appraisal to determine the appraised value of Homeowner's Ownership Interest, then the Purchase Option Price shall be the Formula Price.

10.9 HOW THE VALUE OF HOMEOWNER'S OWNERSHIP INTEREST IS DETERMINED: If CLT believes that the value of Homeowner's Ownership Interest at Resale may be less than the Formula Price, CLT may, within _____ days of receiving Homeowner's Notice of Intent to Sell, commission a market valuation of the Leased Land and the Home to be performed by a duly licensed appraiser acceptable to CLT and Homeowner. CLT shall pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Home were held in fee simple absolute by a single party, disregarding all of the restrictions of this Lease on the use, occupancy and transfer of the property. Copies of the Appraisal are to be provided to both CLT and Homeowner.

CLT and Homeowner agree that, at the time when Homeowner purchased the Home and executed the Lease with the CLT, the appraised market value of the Home and Leased Land was \$_____ (the "Initial Value), as documented by the appraiser's report attached to this Lease as Exhibit INITIAL APPRAISAL. CLT and Homeowner further agree that Homeowner's Base Price was \$_____, and that this amount equals ____% of the Initial Value (the Ratio of Base Price to Initial Value)

The Value of Homeowner's Ownership Interest at Resale then equals the appraised value of the Home and Leased Land at resale multiplied by the Ratio of Base Price to Initial Value.

[Three versions of 10.10 are presented below – one for a CPI-based formula, one for an AMI-based formula and one for a fixed-rate formula.]

10.10 [CPI Formula] HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to (a) the amount of Homeowner's Base Price (which CLT and Homeowner agree is \$_____) plus (b) an amount equal to the Homeowner's Base Price multiplied by the total percentage of increase, since the date this Lease was signed, in the Consumer

Price Index, as determined and published by the US Department of Labor or such successor agency as may publish such index, for urban wage earners and clerical workers for the urban area in which the Home is located, or, if none, for urban areas the size of _____. The parties agree that when the Lease was signed the Consumer Price Index number (the Original Number) was _____. To determine the percentage of increase in the Index, the Original Number shall be subtracted from the most recently published Index number, and the remainder shall then be divided by the Original Number.

OR

10.10 [AMI Formula] HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to (a) the amount of Homeowner's Base Price (which CLT and Homeowner agree is \$_____) plus (b) an amount equal to the Homeowner's Base Price multiplied by the total percentage of increase, since the date this Lease was signed, in the area median household income (AMI) for a family of four for the Standard Metropolitan Statistical Area [or _____ county], as calculated and published by the US Department of Housing and Urban Development or such successor agency as may publish such information. The parties agree that when the Lease was signed the MHI for a family of four in such area [or county] (the Original MHI) was _____. To determine the percentage of increase in the MHI, the Original MHI shall be subtracted from the then most recently published MHI, and the remainder shall then be divided by the Original MHI.

OR

10.10 [Fixed-Rate Formula] HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to the amount of Homeowner's Base Price (which CLT and Homeowner agree is \$_____) plus interest at a rate of ____% compounded annually.

10.11 QUALIFIED PURCHASER SHALL RECEIVE NEW LEASE: The CLT shall issue a new lease to any person who purchases the Home in accordance with the terms of this Article 10. The terms of such lease shall be the same as those of new leases issued to homebuyers at that time for land not previously leased by the CLT.

10.12 PURCHASER MAY BE CHARGED A TRANSFER FEE. In the event that Homeowner sells the home to a party other than the CLT (whether directly to such party or as a result of CLT's assignment of its Purchase Option to such party), the price to be paid by such purchaser shall include in addition to the Purchase Option Price, at the discretion of the CLT, a transfer fee to compensate the CLT for carrying out its responsibilities with regard to the transaction. The amount of the transfer fee shall be no more than ____% of the Purchase Option Price.

10.13 HOMEOWNER REQUIRED TO MAKE NECESSARY REPAIRS AT TRANSFER: The Homeowner is required to make necessary repairs when she voluntarily transfers the Home as follows:

- a) The person purchasing the Home ("Buyer") shall, prior to purchasing the Home, hire at her sole expense a building inspector with a current Home Inspector license from the _____[licensing agency] to assess the condition of the Home and prepare a written report of the condition ("Inspection Report"). The Homeowner shall cooperate fully with the inspection.
- b) The Buyer shall provide a copy of the Inspection Report to Buyer's lender (if any), the Homeowner, and the CLT within 10 days after receiving the Inspection Report.
- c) Homeowner shall repair specific reported defects or conditions necessary to bring the Home into full compliance with Sections 4.2 and 7.5 above prior to transferring the Home.

- d) Homeowner shall bear the full cost of the necessary repairs and replacements. However, upon Homeowner's written request, the CLT may allow the Homeowner to pay all or a portion of the repair costs after transfer, from Homeowner's proceeds of sale, if Homeowner cannot afford to pay such costs prior to the transfer. In such event, either (i) 150% of the unpaid estimated cost of repairs or (ii) 100% of the unpaid cost of completed repairs shall be withheld from Homeowner's proceeds of sale in a CLT-approved escrow account. *[Add the following sentence only if provision is made for a repair reserve: Also, upon Homeowner's written request, CLT may, at its discretion, agree to release funds from the Repair Reserve Fund to cover some or all of the cost of such repairs, provided that such use of the Reserve is in full compliance with Section 7.6 above.]*
- e) Homeowner shall allow CLT, Buyer, and Buyer's building inspector and lender's representative to inspect the repairs prior to closing to determine that the repairs have been satisfactorily completed.
- f) Upon sale or other transfer, Homeowner shall either (i) transfer the Home with all originally purchased appliances or replacements in the Home in good working order or (ii) reduce the Purchase Option Price by the market value of any such appliances that are not left with the Home in good working order.

ARTICLE 11: RESERVED

ARTICLE 12: DEFAULT

12.1 WHAT HAPPENS IF HOMEOWNER FAILS TO MAKE PAYMENTS TO THE CLT THAT ARE REQUIRED BY THE LEASE: It shall be an event of default if Homeowner fails to pay the Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by CLT to Homeowner and Permitted Mortgagee. However, if Homeowner makes a good faith partial payment of at least two-thirds (2/3) of the amount owed during the 30-day cure period, then the cure period shall be extended by an additional 30 days.

12.2 WHAT HAPPENS IF HOMEOWNER VIOLATES OTHER (NONMONETARY) TERMS OF THE LEASE: It shall be an event of default if Homeowner fails to abide by any other requirement or restriction stated in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by CLT to Homeowner and Permitted Mortgagee. However, if Homeowner or Permitted Mortgagee has begun to cure such default within the 60-day cure period and is continuing such cure with due diligence but cannot complete the cure within the 60-day cure period, the cure period shall be extended for as much additional time as may be reasonably required to complete the cure.

12.3 WHAT HAPPENS IF HOMEOWNER DEFAULTS AS A RESULT OF JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home or Homeowner's interest in the Leased Land by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 A DEFAULT (UNCURED VIOLATION) GIVES CLT THE RIGHT TO TERMINATE THE LEASE OR EXERCISE ITS PURCHASE OPTION:

- a) **TERMINATION:** In the case of any of the events of default described above, CLT may terminate this lease and initiate summary proceedings under applicable law against Homeowner, and CLT shall have all the rights and

remedies consistent with such laws and resulting court orders to enter the Leased Land and Home and repossess the entire Leased Land and Home, and expel Homeowner and those claiming rights through Homeowner. In addition, CLT shall have such additional rights and remedies to recover from Homeowner arrears of rent and damages from any preceding breach of any covenant of this Lease. If this Lease is terminated by CLT pursuant to an Event of Default, then, as provided in Section 7.7 above, upon thus assuming title to the Home, CLT shall pay to Homeowner and any Permitted Mortgagee an amount equal to the Purchase Option Price calculated in accordance with Section 10.9 above, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the CLT under the terms of this Lease and all reasonable costs (including reasonable attorneys' fees) incurred by CLT in pursuit of its remedies under this Lease.

If CLT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above and the attached Exhibit: Permitted Mortgages) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner's interest in the Home and the Leased Land by foreclosure of its mortgage or otherwise.

- b) **EXERCISE OF OPTION:** In the case of any of the events of default described above, Homeowner hereby grants to the CLT (or its assignee) the option to purchase the Home for the Purchase Option Price as such price is defined in Article 10 above. Within thirty (30) days after the expiration of any applicable cure period as established in Sections 12.1 or 12.2 above or within 30 days after any of the events constituting an Event of Default under Section 12.3 above, CLT shall notify the Homeowner and the Permitted Mortgagee(s) of its decision to exercise its option to purchase under this Section 12.4(b). Not later than ninety (90) days after the CLT gives notice to the Homeowner of the CLT's intent to exercise its option under this Section 12.4(a), the CLT or its assignee shall purchase the Home for the Purchase Option Price.

12.5 WHAT HAPPENS IF CLT DEFAULTS: CLT shall in no event be in default in the performance of any of its obligations under the Lease unless and until CLT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to CLT properly specifying CLT's failure to perform any such obligation.

ARTICLE 13: Mediation and Arbitration

13.1 Nothing in this Lease shall be construed as preventing the parties from utilizing any process of mediation or arbitration in which the parties agree to engage for the purpose of resolving a dispute.

13.2 Homeowner and CLT shall each pay one half (50%) of any costs incurred in carrying out mediation or arbitration in which the parties have agreed to engage.

ARTICLE 14: GENERAL PROVISIONS

14.1 HOMEOWNER'S MEMBERSHIP IN CLT: The Homeowner under this Lease shall automatically be a regular voting member of the CLT.

14.2 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to CLT : _____ (name of CLT)

with a copy to: _____ (CLT's attorney)

If to Homeowner: _____ (name of Homeowner)

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.3 NO BROKERAGE: Homeowner warrants that it has not dealt with any real estate broker other than _____ in connection with the purchase of the Home. If any claim is made against CLT regarding dealings with brokers other than _____, Homeowner shall defend CLT against such claim with counsel of CLT's selection and shall reimburse CLT for any loss, cost or damage which may result from such claim.

14.4 SEVERABILITY AND DURATION OF LEASE: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or CLT against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that CLT's option to purchase and all other rights of both parties under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons:

NOTE: List an identifiable group of small children, e.g., the children living as of the date of this Lease of any of the directors or employees of a specified corporation.

14.5 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, CLT shall nevertheless have a right of first refusal to purchase the Home at the highest documented bona fide purchase price offer made to Homeowner. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.6 WAIVER: The waiver by CLT at any time of any requirement or restriction in this Lease, or the failure of CLT to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Lease. CLT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by CLT before being effective.

The subsequent acceptance of Lease Fee payments by CLT shall not be deemed to be a waiver of any preceding breach by Homeowner of any requirement or restriction in this Lease, other than the failure of the Homeowner to pay the particular Lease Fee so accepted, regardless of CLT's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

14.7 CLT’S RIGHT TO PROSECUTE OR DEFEND: CLT shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Homeowner’s name, any actions or proceedings appropriate to the protection of its own or Homeowner’s interest in the Leased Land. Whenever requested by CLT, Homeowner shall give CLT all reasonable aid in any such action or proceeding.

14.8 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9 HEADINGS AND TABLE OF CONTENTS: The headings, subheadings and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10 PARTIES BOUND: This Lease sets forth the entire agreement between CLT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by CLT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.11 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of _____ [name of state]. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against CLT or Homeowner.

14.12 RECORDING: The parties agree, as an alternative to the recording of this Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to CLT’s attorneys. In no event shall such document state the rent or other charges payable by Homeowner under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

IN WITNESS WHEREOF, the parties have executed this lease at _____ on the day and year first above written.

(CLT)

Homeowner

By: _____
Its duly authorized agent

Witness

Witness

[notarize signatures]

EXHIBIT
LETTERS OF AGREEMENT & ATTORNEY'S ACKNOWLEDGMENT
Sample Letter of Agreement

To: _____ Community Land Trust ("the CLT")

Date: _____

This letter is given to the CLT to become an exhibit to a Lease between the CLT and me. I will be leasing a parcel of land from the CLT and will be buying the home that sits on that parcel of land. I will therefore become what is described in the Lease as a "the Homeowner."

My legal counsel, _____, has explained to me the terms and conditions of the Lease and other legal documents that are part of this transaction. I understand the way these terms and conditions will affect my rights as a CLT homeowner, now and in the future.

In particular I understand and agree with the following points.

One of the goals of the CLT is to keep CLT homes affordable for lower income households from one CLT homeowner to the next. I support this goal as a CLT homeowner and as a member of the CLT.

The terms and conditions of my Lease will keep my home affordable for future "income-qualified persons" (as defined in the Lease). If and when I want to sell my home, the lease requires that I sell it either to the CLT or to another income-qualified person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.

It is also a goal of the CLT to promote resident ownership of CLT homes. For this reason, my Lease requires that, if I and my family move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.

I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Lease, or they can sell it on the terms permitted by the Lease.

As a CLT homeowner and a member of the CLT, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to me and others.

Sincerely,

Sample Letter of Attorney's Acknowledgment

I, _____, have been independently employed by
_____ (hereinafter "the Client") who intends to purchase a house and other improvements (the
"Home") on land to be leased from Community Land Trust. The house and land are located at _____
_____.

In connection with the contemplated purchase of the Home and the leasing of the land, I reviewed with the Client the following documents:

- a) this Letter of Attorney's Acknowledgment and a Letter of Agreement from the Client;
- b) a proposed Deed conveying the Home to the Client;
- c) a proposed Ground Lease conveying the "Leased Land" to the Client;
- d) other written materials provided by the CLT.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. In my review of these documents my purpose has been to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on her own judgment and upon her investigation of the facts. The advice and information provided by me was an integral element of such investigation.

Name

Date

Title

Firm/Address

**EXHIBIT
DEED**
Sample Deed

Between

LOCAL LAND TRUST (Grantor), a not-for-profit corporation having its principal offices at _____,
_____, _____, and JOHN AND MARY DOE (Grantees), residing at
_____, _____, _____.

Witnesseth

That Grantor, in consideration of one dollar and other good and valuable consideration paid by Grantees, does hereby grant and release unto Grantees, their heirs, or successors and assigns forever,

THE BUILDINGS AND OTHER IMPROVEMENTS ONLY, as presently erected on the Land described in Schedule "A" attached hereto and made a part hereof.

It is the intention of the parties that the real property underlying the buildings and other improvements conveyed herein remain vested in Grantor and that this warranty deed convey only such buildings and other improvements as are presently erected upon the subject Land.

In witness whereof, as authorized agent of Grantor, I hereunto set my hand this _____ day of _____,
A.D. 20____.

Signature

[notarize signature]

EXHIBIT PERMITTED MORTGAGES

The rights and provisions set forth in this Exhibit shall be understood to be provisions of Section 8.2 of the of the Lease. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A.OBLIGATIONS OF PERMITTED MORTGAGEE. Any Permitted Mortgagee shall be bound by each of the following requirements unless the particular requirement is removed, contradicted or modified by a rider to this Lease signed by the Homeowner and the CLT to modify the terms of the Lease during the term of the Permitted Mortgage.

1. If Permitted Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Permitted Mortgage, the Permitted Mortgagee shall, at the same time, send a copy of that notice to the CLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the “cure period”), the CLT shall have the right to cure the default on the Homeowner’s behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Permitted Mortgagee.
2. If, after the cure period has expired, the Permitted Mortgagee intends to accelerate the note secured by the Permitted Mortgage or begin foreclosure proceedings under the Permitted Mortgage, the Permitted Mortgagee shall first notify CLT of its intention to do so, and CLT shall then have the right, upon notifying the Permitted Mortgagee within thirty (30) days of receipt of such notice, to acquire the Permitted Mortgage by paying off the debt secured by the Permitted Mortgage.
3. If the Permitted Mortgagee acquires title to the Home through foreclosure or acceptance of a deed in lieu of foreclosure, the Permitted Mortgagee shall give CLT written notice of such acquisition and CLT shall then have an option to purchase the Home from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage. To exercise this option to purchase, CLT must give written notice to the Permitted Mortgagee of CLT’s intent to purchase the Home within thirty (30) days following CLT’s receipt of the Permitted Mortgagee’s notice. CLT must then complete the purchase of the Home within sixty (60) days of having given written notice of its intent to purchase. If CLT does not complete the purchase within this 60-day period, the Permitted Mortgagee shall be free to sell the Home to another person.
4. Nothing in the Permitted Mortgage or related documents shall be construed as giving Permitted Mortgagee a claim on CLT’s interest in the Leased Land, or as assigning any form of liability to the CLT with regard to the Leased Land, the Home, or the Permitted Mortgage.
5. Nothing in the Permitted Mortgage or related documents shall be construed as rendering CLT or any subsequent Mortgagee of CLT’s interest in this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt secured by the Permitted Mortgage or any part thereof.
6. The Permitted Mortgagee shall not look to CLT or CLT’s interest in the Leased Land, but will look solely to Homeowner, Homeowner’s interest in the Leased Land, and the Home for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that CLT’s consent to such the Permitted Mortgage shall be without any liability on the part of CLT for any deficiency judgment.)

7. In the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Permitted Mortgagee in accordance with the provisions of ARTICLE 9 hereof.
8. CLT shall not be obligated to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE. The rights of a Permitted Mortgagee as referenced under Section 8.6 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Any Permitted Mortgagee shall, without further consent by CLT, have the right to (a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance being effective as if it had been performed by Homeowner; (b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in the Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and (c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.
2. A Permitted Mortgagee shall not be required, as a condition to the exercise of its rights under the Lease, to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Home and Leased Land. In the event Permitted Mortgagee does take possession of the Home and Leased Land and thereupon transfers such property, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.
3. In the event that title to the estates of both CLT and Homeowner are acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage.
4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, CLT shall enter into a new lease for the Leased Land with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to CLT's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to CLT for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Land as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by CLT, Homeowner and the Permitted Mortgagee.
5. The CLT shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that CLT sends a notice of default under the Lease to Homeowner, CLT shall also send a notice of Homeowner's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to CLT by a written notice to CLT sent in the manner set forth in said Section 14.2 of the Lease.
7. In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.
8. Before becoming effective, any amendments to this Lease must be approved in writing by Permitted Mortgagee, which approval shall not be unreasonably withheld. If Permitted Mortgagee has neither approved nor rejected a proposed amendment within 60 days of its submission to Permitted Mortgagee, then the proposed amendment shall be deemed to be approved.

C. STANDARD PERMITTED MORTGAGE AGREEMENT. A Standard Permitted Mortgage Agreement, as identified in Section 8.4 of this Lease, shall be written as follows, and shall be signed by Mortgagee and Homeowner.

This Agreement is made by and among:

_____ (Mortgagee) and

_____ ("Homeowner"),

Whereas:

- a) _____ CLT (the "CLT") and Homeowner have entered, or are entering, into a ground lease ("the Lease"), conveying to Homeowner a leasehold interest in the Land located at _____ ("the Leased Land"); and Homeowner has purchased, or is purchasing, the Home located on the Leased Land ("the Home").
- b) The Mortgagee has been asked to provide certain financing to the Homeowner, and is being granted concurrently herewith a mortgage and security interest (the "Mortgage") in the Leased Land and Home, all as more particularly set forth in the Mortgage, attached hereto as Schedule A.
- c) The Ground Lease states that the Homeowner may mortgage the Leased Land only with the written consent of CLT. The Ground Lease further provides that CLT is required to give such consent only if the Mortgagee signs this Standard Permitted Mortgage Agreement and thereby agrees to certain conditions that are stipulated herein ("the Stipulated Conditions").

Now, therefore, the Homeowner/Mortgagor and the Mortgagee hereby agree that the terms and conditions of the Mortgage shall include the Stipulated Conditions stated below.

Stipulated Conditions:

- 1) If Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Mortgage, the Mortgagee shall, at the same time, send a copy of that notice to the CLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default

(the "cure period"), the CLT shall have the right to cure the default on the Homeowner's behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Mortgagee.

- 2) If, after such cure period, the Mortgagee intends to accelerate the note secured by the Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of the Lease, the Mortgagee shall first notify CLT of its intention to do so and CLT shall have the right, but not the obligation, upon notifying the Mortgagee within thirty (30) days of receipt of said notice, to purchase the Mortgagee loans and to take assignment of the Mortgage.
- 3) If the Mortgagee acquires title to the Home and Homeowner's interest in the Leased Land through foreclosure or acceptance of a deed in lieu of foreclosure, the Mortgagee shall give the CLT written notice of such acquisition and the CLT shall have an option to purchase the Home and Homeowner's interest in the Leased Land from the Mortgagee for the full amount owing to the Mortgagee; provided, however, that the CLT notifies the Mortgagee in writing of the CLT's intent to make such purchase within thirty (30) days following the CLT's receipt of the Mortgagee's notice of such acquisition of the Home and Homeowner's interest in the Leased Land; further provided that CLT shall complete such purchase within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the CLT does not complete the purchase within such period, the Mortgagee shall be free to sell the Home and Homeowner's interest in the Leased Land to another person;
- 4) Nothing in the Mortgage or related documents shall be construed as giving the Mortgagee a claim on CLT's interest in the Leased Land, or as assigning any form of liability to the CLT with regard to the Leased Land, the Home, or the Mortgage.
- 5) Nothing in the Mortgage shall be construed as rendering CLT or any subsequent holder of the CLT's interest in and to the Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.
- 6) The Mortgagee shall not look to CLT or CLT's interest in the Leased Land, but will look solely to Homeowner and Homeowner's interest in the Leased Land and the Home for the payment of the debt secured by the Mortgage. (It is the intention of the parties hereto that CLT's consent to the Mortgage shall be without any liability on the part of CLT for any deficiency judgment.)
- 7) In the event that any part of the Leased Land is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Mortgagee in accordance with the provisions of Article 9 of the Lease.
- 8) Nothing in the Mortgage shall obligate CLT to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

By:

for Mortgagee

Date

for Homeowner/Morgager

Date

EXHIBIT

FIRST REFUSAL

Whenever any party under the Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

- a) Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.
- b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to the Holder having a renewed right of first refusal in said property.

Other Exhibits to be Attached as Appropriate

Exhibit LAND

[Correct legal description of area of Leased Land and appurtenant title rights and obligations.]

Exhibit ZONING

[Setting forth applicable zoning restrictions as of the commencement of the Lease]

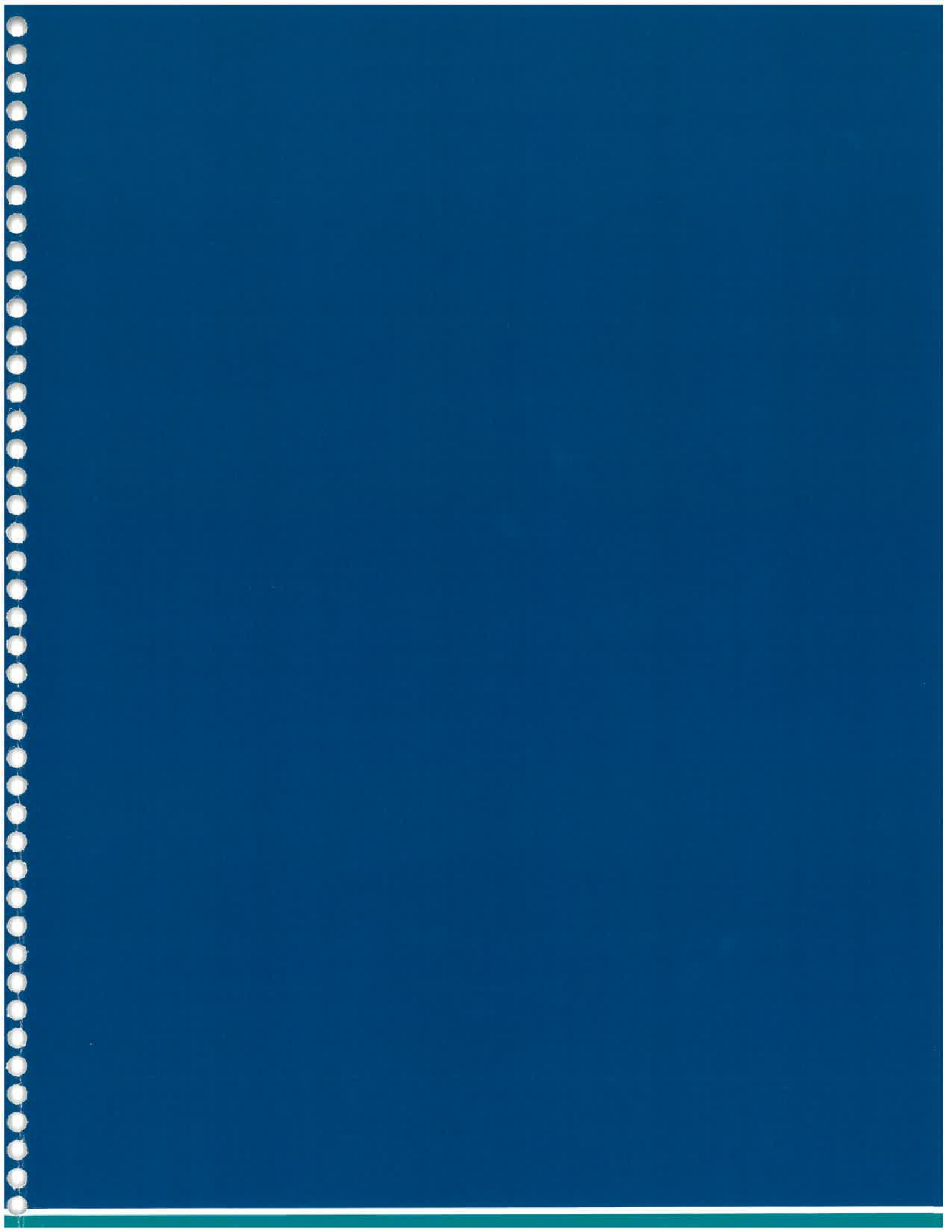
Exhibit RESTRICTIONS

[To be attached when necessary to stipulate use restrictions not included under Zoning]

Exhibit INITIAL APPRAISAL

[To be attached if Lease contains an "appraisal-based" resale formula]

Notes





ACCESS AN ELECTRONIC VERSION OF THE

CLT Homebuyer Education

MODULE

AND OTHER VALUABLE RESOURCES UNDER THE PUBLICATIONS TAB
ON THE FLORIDA HOUSING COALITION'S WEBSITE AT:

WWW.FLHOUSING.ORG