RESOLUTION NO. 15-10-103

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AMENDING THE VILLAGE’S COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING ASSISTANCE PLAN; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Florida Small Cities Community Development Block Grant (“CDBG”) program is a competitive grant program administered by the Florida Department of Economic Opportunity (“DEO”) that addresses critical housing and infrastructure needs of the elderly, disadvantaged, and low to moderate income (“LMI”) populations; and

WHEREAS, Islamorada, Village of Islands (the “Village”) successfully submitted funding application to the 2013 CDBG Housing Category; and

WHEREAS, the Village was awarded $700,000.00 in grant funding under the Housing Rehabilitation category through the 2013 Florida Small Cities Community Development Block Grant Program; and

WHEREAS, the CDBG funds can be used for improving Village property and private property infrastructure; particularly to the Village’s LMI residents; and

WHEREAS, the Village Council desires to provide CDBG funds for approved activities in order to assist qualified residents on a fair and equitable basis; and

WHEREAS, as a condition of CDBG funding, the DEO require that participating jurisdictions establish and adopt a CDBG Housing Assistance Plan to determine the minimum criteria, preferences and priorities for receiving housing assistance; and

WHEREAS, as part of the Village’s 2002 CDBG Application, the Village Council adopted Resolution 02-05-07, thereby establishing a Housing Assistance Plan (“HAP”) for the Village; and
WHEREAS, as part of the Village’s 2013 CDBG Application, the Village Council adopted Resolution 14-02-16, thereby amending the established HAP for the Village; and

WHEREAS, the Village Council desires to amend the Village’s CDBG HAP to incorporate a cost ratio in order to (a) clearly define criteria under which unit would be demolished and replaced rather than rehabilitated, (b) to require the maintenance of flood insurance, and (c) to establish a process to be used to solicit contractors and assist beneficiaries of the program in reviewing the contractor’s performance.

NOW THEREFORE BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. Amendment to Village’s CDBG Housing Assistance Plan. The Village Council hereby approves the Community Development Block Grant (CDBG) Housing Assistance Plan, attached hereto as “Exhibit A”.

Section 3. Effective Date. This resolution shall become effective immediately upon its adoption.

Motion to adopt by Councilman Jim Mooney; second by Councilman Dennis Ward.

FINAL VOTE AT ADOPTION
VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

Mayor Mike Forster YES
Vice Mayor Deb Gillis YES
Councilman Jim Mooney YES
Councilman Chris Sante YES
Councilman Dennis Ward YES

PASSED on the first reading this 1st day of October, 2015.
APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS ONLY

ATTEST:

KELLY TOTH, VILLAGE CLERK

ROGET V. BRYAN, VILLAGE ATTORNEY
ISLAMORADA, VILLAGE OF ISLANDS
COMMUNITY DEVELOPMENT BLOCK GRANT – HOUSING CATEGORY
HOUSING ASSISTANCE PLAN

1. Funds awarded will be in the form of grants to homeowners and loans to property owners that are providing rentals to qualified beneficiaries.

2. The process for selecting, accepting, reviewing and approving requests for assistance will be initiated by advertisement in local newspapers of general circulation on at least four separate occasions. The process will provide a minimum sixty (60) day application period. Additional outreach activities shall include, press releases, publication on the village website accessible through the Internet, announcements at public meetings and notification to the following: non-profit organizations, social service providers, local churches, daycare providers and organizations serving the elderly. Any subsequent application period necessary shall meet the criteria outlined above.

Properties to be addressed shall meet one (1) of the following criteria:

Priority #1: Owner occupied, single family, primary residences with housing code, Housing Quality Standards or health/safety violations.

Priority #2: Property owners of single family or multifamily rental properties occupied by eligible households with housing code, Housing Quality Standards or health/safety violations.

Applications received within the application period(s) which meet the primary criteria above shall be prioritized based on the schedule outlined herein. Those household/projects receiving the greatest priority score shall be addressed until all available funding has been expended.

Priorities

| Elderly (one owner >62 yrs.) | 10 |
| Disabled household member | 10 |
| Documented Housing Code violation | 10 |
| Very Low Income | 05 |
| Children in household (>2) | 05 |
| Length of Ownership (>15 yrs.) | 05 |
| Single parent household | 05 |

Note: In the event of tie scores, very low-income households will receive priority.

3. Conflicts of interest will be addressed pursuant to 24 C.F.R. Section 570.489 and Chapter 112.311-112.3143, F.S. timely by immediate identification of potential conflicts.

Additionally, beneficiaries will be identified in minutes of a Village Council meeting and the CDBG Citizens Advisory Task Force meeting(s) so that any previously unknown conflicts may be surfaced. The conflicts will be acknowledged publicly along with the final selection of beneficiaries.
It is the intent of the Village Council and the CDBG Citizens Advisory Task Force to deal with these conflicts of interest if such conflicts occur on a local level and request waiver for acknowledgement of the conflicts when appropriate.

4. The Village will perform HUD Section 8 Housing Quality Standards (HQS) inspections on all properties to be rehabilitated to ensure compliance with the local safe housing code and safe, sanitary and decent housing to determine what rehabilitation work must be done on each eligible housing structure. All work required to meet HUD Housing Quality Standards and local housing code will be completed for each unit addressed.

5. The maximum amount of CDBG funds that may be expended on any one housing unit is $15,000.00. This amount may only be exceeded by a recorded vote of the Village Council upon recommendation of the CDBG Citizen’s Advisory Task Force.

In the event that a housing unit requires rehabilitation that costs greater than $15,000.00 and the rehabilitation has been approved by the Village Council and the CDBG Citizen’s Advisory Task Force, the cost of the rehabilitation shall not equal or exceed fifty (50%) percent of the pre-destruction value of the house as determined by the office of the county property appraiser or by an independent appraiser using the Marshall and Swift assessment method, as further defined in Code Section 30-32 of the Code of Ordinances of Islamorada, Village of Islands.

6. In the event of funds availability and completion of all applicants under priority #1, the Village will address the rehabilitation of rental property under this process. Assistance will be provided as a loan. Applicants will execute a note secured by a mortgage on the subject property. The term of the note will be for five years at zero percent interest and require no regular payments. The principal balance shall be forgiven by one-fifth (1/5th) annually on the anniversary date. The mortgage shall contain affordability covenants that require that during the term of the loan, the property shall be rented on an annually lease to very low and low-income households subject to annual income certification.

7. The Village may assist in the rehabilitation of mobile homes, modular homes or other forms of manufactured housing subject to paragraph 8 below.

8. The Village will not provide assistance to beneficiaries for those housing units that cannot feasibly be repaired under CDBG and Housing Assistance Plan guidelines. Additionally, the Village will not provide assistance to properties where the post rehabilitation value, exclusive of land, is less than the cost of rehabilitation. It is noted that due to extremely high median housing values, this is an unlikely situation.

9. All program participants will be advised routinely via formal written notification of their status in the program and specifically when a previously selected housing unit is deleted from the rehabilitation program.
10. The Village will not require beneficiaries of eligible units to maintain homeowners, wind, flood or other property insurance as a condition of participation. Program participants must maintain, at a minimum, flood insurance for the duration of an active CDBG program. If the program participant does not have and cannot obtain flood insurance, it may be funded through the CDBG program for the duration of the CDBG contract.

11. The Village will require a final inspection by qualified entities for acceptance of the contractor’s final work. All work is subject to the Village’s building permit and inspection process.

12. The Village will ensure that ownership of units is confirmed, the owner has the right to encumber the property and provide permission to a contractor to undertake construction work on the unit. This will be accomplished through coordination with the Monroe County Tax Appraiser’s Office.

13. The Village, through the CDBG Program, does not have any plans to will not declare that a LMI housing structure should be demolished or through Village action that it be converted to a non-LMI structure.

14. The Village will develop bid proposals to be bid upon by contractors and interface with beneficiaries to ensure the contractor performs to the contract terms. The Village will advertise for contractors on a periodic basis to develop a pool of eligible contractors. The Village may also use existing vendors or vendors registered with the Village to further develop the pool of contractors, especially for those projects involving a limited scope of work related to one licensed profession, such as plumbers. All construction contracts will be between the property owner and the contractor. The program participant will review the work of the contractor and will approve all payments in advance of the issuance of payment. Final payment will be issued when the work is completed in a workmanlike manner and in accordance with all applicable standards, including the Florida Building Code and Chapter 30, Land Development Regulations, of the Code of Ordinances of Islamorada, Village of Islands.

The process by which the bids will be developed will adhere to the following:

a. A representative from the Village will conduct a site visit to the housing unit, except in the case of sewer connections where site visits may not be necessary.

b. The Village representative will develop a work write-up, which will form the basis of the bid document.

c. The bid document will be distributed to eligible contractors and may be advertised to garner solicitations, and the bid documents will include the bid deadline.

d. The work write up and bid documents will provide for an appointment or procedure for the contractors to contact the housing unit owners for on-site inspections.

e. The bids will be evaluated and awarded to the lowest responsive bidder. The program participant may elect to select a contractor other than the lowest
responsive bidder if the program participant privately funds the difference between the low bid and the awarded bid.

f. Bids documents will state that bids may only be accepted by contractors licensed by the State of Florida, Department of Business and Professional Regulation, and by the Village of Islamorada.

g. The bid document will require that the contractor obtain approval of the housing unit owner or representative and a representative of the local government prior to the initiation of any additional work through change order.

h. Small purchases may be procured as defined by Federal, state and local regulations.

15. The Village will review its local codes to determine that the property proposed for rehabilitation is in compliance with local codes prior to the initiation of any housing rehabilitation activities and issuance of a building permit.

16. The age of the participating housing unit to be addressed will be verified by obtaining the Property Records Card for each unit in the Official Records of the Monroe County Tax Appraiser’s Office. Coordination with the Bureau of Historic Preservation will take place as appropriate.

17. The Village will test as required for lead based paint abatement when addressing pre-1978 units homes following whatever program requirements exist.

18. Since virtually all housing structures to be addressed will be contained in the 100-year flood plain by virtue of the geographic configuration and location of the Village, the Village will follow and comply with all applicable Village Code requirements when addressing housing units.

19. The Village will document completion of construction by ensuring that each housing unit case file shall contain the following information:

   a. A statement from the contractor that all items on the initial work write up as modified through change orders have been completed;

   b. An acknowledgement that the housing unit meets the applicable local codes and Section 8 Housing Quality Standard (HQS).

   c. A signed acknowledgement by the housing unit owner or his or her personal representative that the work has been completed based on the work write up and change orders. Should all requirements be fulfilled and the homeowner or their representative refuse to acknowledge completion of the work, the housing unit case file shall be documented with a statement detailing the reason given for said refusal;

   d. The documentation shall be completed prior to the submission of the administrative closeout package and shall accompany the administrative closeout
package when submitted to the Department of Community Affairs—Economic Opportunity; and

e. The following data will be provided by housing unit and summarized by activity as part of the administrative closeout for each activity providing direct benefit:

- Address of each housing unit rehabilitated with CDBG funds, the date the construction was completed on the housing unit, and the amount of CDBG funds expended on that unit;
- Whether the household is headed by a female, the number of handicapped persons in the household, the number of elderly persons in the household, and the LMI or VLI status of the household.
- The number of occupants of the household, categorized by sex; and
- The racial demographics of the household by number (white, black, Hispanic, Asian/Pacific Islander, or American Indian/Alaskan Native).

20. Green Rehabilitation Standards. The Village will comply with following Green Rehabilitation Standards for housing units assisted with CDBG funds:

a. Any appliance replaced or installed shall be energy star.
b. Any door/window replaced or installed shall be energy star.
c. Any light fixture replaced or installed shall be energy star.
d. Weatherization of all homes to be rehabilitated. At a minimum, weatherization shall include the attic, and if appropriate floor insulation as well as sealing all exterior walls. Other weatherization activities shall be at the Village’s discretion.
e. Any replaced or new (for new construction) HVAC unit shall have a SEER rating at least 14.

21. Sewer Connections. In certain cases, CDBG funds may be made available to income-eligible residents or rental property owners solely to provide connections to a central wastewater collection system (sewer connections). This activity is considered to be housing rehabilitation and, although similar in many ways to standard housing rehabilitations, has a number of differences. Sewer connections are subject to the following:

a. Sewer connections are essentially housing rehabilitations and the applicant must document LMI status, ownership, and full-time residency.
b. Funds provided for sewer connections to single family units are grants and do not repayment.
c. Rental units may be eligible for assistance if the beneficiaries are LMI and are full-time residents. In addition, the property owner must enter into a deferred
payment loan (DPL) agreement that provides for an affordability period of five three–years, amortizing 1/53 upon the anniversary of execution of the DPL each year until completely forgiven at the conclusion of the fifth year, and that states the units that received assistance shall remain available and affordable, as defined by HUD guidelines, to LMI tenants. Failure to do so will result in repayment of the non-amortized balance of the DPL. The DPL will be recorded.

d. Applicants are selected based on the basis of “first come, first ready” until funds are exhausted. Sewer connection applicants are not ranked.

e. Sewer connection projects generally do not undertake repairs to the interior of housing units unless such repairs are absolutely necessary for a code–compliant sewer connection.