



# City of Westlake

## Housing Assistance Purchase Program Yearly Guidelines

Fiscal Year 2021-2022



The City of Westlake implemented an affordable and workforce housing assistance purchase program to maintain the economic and social sustainability of housing supply within the city limits at various income limits. The City has partnered with the Developer, Minto PBLH, LLC ("MINTO") and the Westlake Community Foundation, Inc. ("FOUNDATION"), in an innovative program to fund eligible applicants under the Housing and Urban Development categories for low-, moderate-, and middle-income households based upon income limitations.

The city, Palm Beach County, developers, local businesses, and residents will all benefit from the availability of affordable and workforce housing units. The city will cooperate with other Federal, State, and local governmental agencies and local for profit and not—for-profit organizations in a collaborative effort to maximize the utilization of funding sources for affordable housing and workforce housing assistance in creating a sustainable framework to meet the needs of the community and future residents.

### **DEFINITIONS**

**Affordable Housing** — Housing that is affordable for households at or below 80% of the Area Median Income as defined by the United States Department of Housing and Urban Development (HUD) income limits per household size and that meets maximum housing payments established by HUD, Florida Housing Finance, or local ordinance. Housing payments generally do not exceed 30% of household's gross monthly income.

**Affordable Housing Assistance** — Any loans, grants, fee reductions or other incentives provided by the City of Westlake to facilitate the construction, purchase, or rental of affordable and/or workforce housing to qualified eligible applicants.

**Affordable and Workforce Housing Loan Program** — A City of Westlake program that provides loans to be used for the construction and purchase of housing serving households up to 140% of the Area Median Income. Loans may be provided as direct loans or limited loan guarantees for single family new construction, multi-family new construction homes and resale on existing housing inventory.

**Affordability Period** — Funds provided under the Housing Program shall carry a ten (10) year restriction to maintain the affordable and or workforce housing designation. After the expiration of ten (10) years of continued occupancy by the eligible applicant or surviving spouse, the loan will be forgiven.

**Annual Reporting** —the City of Westlake shall provide an annual accounting of all funds utilized during the prior year, with detailed data on the number of eligible applicants housing assistance was provided to for the purposes of home purchase or rental assistance.

**Essential Service Personnel** - includes but is not limited to teachers and educators, other school district, community college and university employees, police and fire personnel, health care personnel and local government personnel in Palm Beach County.

**First Time Homebuyer** — A person who has not owned or occupied a home as their primary residence in the last three years.

**Housing Trust Fund** — A City of Westlake fund established for the construction, purchase, or rental of affordable and workforce housing. All funds received from the Developer will be deposited into the Housing Trust Fund to assist with the purchase or rental of affordable and

workforce housing through the Housing Assistance Purchase Program and all funds shall only be utilized for housing assistance.

**HUD** — the United States Department of Housing and Urban Development.

**Income Limits**— One of the determining eligibility factors for Federal and State housing assistance programs. Income limits are set by HUD on an annual basis. HUD provides definitions for very low, low and moderate income which vary by program and are determined by the gross household income and household size.

**Primary Residence**— a person's primary residence or main residence is the dwelling where the person usually lives. A person can only have one primary residence at any given time. It is considered the legal residence for the purposes homestead exemption, income tax and/or acquiring a mortgage.

**Qualified Eligible Homebuyer Applicant** - a person or household who meets federal and/or state income guidelines for very low income, low income, moderate income or middle Income persons or households and who must have been approved for financing by an organization other than the City, including but not limited to a non-profit corporation or a local lending institution or an entity, including an individual, partnership, for profit or non-profit corporation which has approved financing which meets the federal and/or state guidelines for very low income, low income, moderate income, or middle income persons or households.

**Veterans**- a person who served in the active military such as Army, Navy, Air Force, National Guard, and Reserve of the United States of America and who was discharged or released therefrom under conditions other than dishonorable. Veterans if qualify are entitled to participate in the Housing Assistance Program in addition they may qualify for additional 3% to be used towards the purchase of a home in the City of Westlake on homes that do not exceed the maximum purchase price allowed in the program. Veterans who are also considered Essential Service personnel can only qualify for one program.

**Workforce Housing** — Housing which is affordable for households with incomes between 121% and 140% of the Area Median Income. Area median income eligibility for workforce housing programs will be based on a percentage of the median income as published by the U. S. Department of Housing and Urban Development, Fannie Mae, or the State of Florida, as adjusted for household size.

## **HOUSING TRUST FUND**

Sources of Funds for the Housing Trust Fund Include all voluntary funds received from Minto and future developers and property owners within the City of Westlake, through the FOUNDATION. The funds received shall be designated for the affordable housing and workforce housing assistance purchase program. All proceeds from the sale of properties within the City of Westlake designated for the Housing Trust Funds shall be deposited into and only utilized for the Housing Program and related expenses.

- The Foundation shall collect \$1,500.00 from the sale and re-sale of all residential housing products within the City of Westlake's jurisdictional boundaries. Provisions for the collection of said funds is provided for in the Homeowner's Association documents.

- The Foundation may adjust the housing fee amount of \$1,500.00, upward, or downward depending on the housing product type being developed. Multi-family housing products may contribute less than \$1,500.00 per housing unit, and higher end housing product types may contribute more than \$1,500.00 per housing unit.
- The Foundation shall collect a percentage of sale proceeds from the sale and re-sale of all non-residential properties within the City of Westlake's jurisdictional boundaries. Provisions for the collection of said funds is provided for in the commercial property owner's association documents.
- All funds collected and deposited into the Foundation, minus five percent (5%) for administrative expenses shall be transferred to the City of Westlake's Housing Trust Fund on a quarterly basis.
- All funds deposited into the City of Westlake's Housing Trust Fund shall be deposited in a separate and segregated account and shall be dedicated solely to the construction and purchase of single family and multi-family affordable and/or workforce housing units within the boundaries of the City of Westlake.
- Any funds which remain uncommitted at the end of the City's fiscal year, including interest, other earned income, or repayments on loans shall remain in the Housing Trust Fund and shall be used for the purposes set forth herein during the next fiscal year.
- A maximum of seven percent (7%) of the Housing Trust Funds may be utilized for administrative expense related to the costs associated with the loan processing, loan servicing, and operating expenses directly associated with the administration of the Housing Program or other related housing assistance programs.
- Annual reporting shall be provided to the City Council on all approved housing purchases funded through the Housing Trust Fund.
- All projects funded through the Housing Trust Fund must include an application process, written underwriting standards, loan and grant documents containing repayment provisions and provision and instruments that guarantee affordability periods.
- All fund loans, grants, or other financial incentives shall be reviewed and approved by the City Manager and the City Attorney, with documents being executed by the Mayor.
- The City may utilize Housing Trust Funds to provide rental assistance in the future, as rental units become available within the City of Westlake.

### **APPROVAL PROCESS**

Eligible homebuyer applicants must qualify and must receive counseling prior to loan closing, with preference being given to first time homebuyers and essential service personnel.

Eligible homebuyer applicants must be very low income, low income, or moderate income, and middle-income limits and occupy the property as their primary residence.

Eligible homebuyer applicants must provide three percent (3%) of the purchase price, from their personal funds as part of the down payment for eligibility purposes of the home assistance purchase program.

Eligible homebuyer applicants shall not have liquid assets exceeding \$30,000.00, except for amounts invested in financial instruments exclusively designated as a retirement account such as an IRA or 401K plan.

Applicants will be considered on a first come first served, first qualified basis for assistance, subject to funding availability. Applicants must meet all affordability and income guidelines for the appropriate income group. Applicants must be United States citizen(s). Proof of citizenship will be required.

The home must be located within the City of Westlake. Where State and/or Federal funds are utilized, the sales price of the home shall not exceed the maximum sales price as established by Palm Beach County and/or the State of Florida according to HUD guidelines. The sales price may exceed the median purchase price of the statistical area, as adjusted annually, utilizing all other sources of funds.

Eligible homebuyer applicants must have a FICO credit score of at least 620. Based upon extenuating circumstances, the City Manager has the discretion to approve an application with a credit score between 600 and 619. If the credit score is less than 600 the homebuyer applicant will be deemed ineligible for a grant or loan award.

No re-payment is due as long as the home remains the primary residence of the eligible homebuyer applicant or surviving spouse. If the home is sold or leased, title is transferred or conveyed, or the home ceases to be the primary residence of the eligible homebuyer applicant or surviving spouse during the term of the loan, the outstanding balance of the loan will be due and payable within 60 days.

**INCOME GUIDELINES**

<b>WHP INCOME CATEGORIES</b>	<b>2021 HOUSEHOLD INCOME</b>	<b>2021 SALES PRICES</b>
<b>Low (60-80% of AMI)</b>	<b>\$45,240 - \$60,320</b>	<b>\$173,620</b>
<b>Moderate-1 (&gt;80-100% of AMI)</b>	<b>\$60,320 - \$75,400</b>	<b>\$225,408</b>
<b>Moderate-2 (&gt;100-120% of AMI)</b>	<b>\$75,400 - \$90,480</b>	<b>\$278,282</b>
<b>Middle (&gt;120-140% of AMI)</b>	<b>\$90,480 - \$105,560</b>	<b>\$331,288</b>

## HOUSING ASSISTANCE LOAN REPAYMENT

Loans will be provided at zero percent interest to eligible homebuyer applicants. Loans provided under the program will be provided over a ten- year time frame, with ten percent (10%) of the loan amount being forgiven annually, except the first year, wherein 5% of the loan will be forgiven. The loan is forgivable in its entirety at the end of the ten-year time frame (term) from the date of execution of said mortgage and note, provided the title has remained under the ownership of the individuals signing said mortgage and note as their primary residence or a surviving spouse.

<b>DISPOSITION WITHIN MONTHS OF CLOSING</b>	<b>PERCENTAGE OF LOAN SUBJECT TO REPAYMENT</b>	<b>PERCENTAGE OF LOAN FORGIVEN</b>
<b>1-12</b>	<b>95%</b>	<b>5%</b>
<b>13 — 24</b>	<b>90%</b>	<b>15%</b>
<b>25 -36</b>	<b>80%</b>	<b>20%</b>
<b>37 —48</b>	<b>70%</b>	<b>30%</b>
<b>49 — 60</b>	<b>60%</b>	<b>40%</b>
<b>61— 72</b>	<b>50%</b>	<b>50%</b>
<b>73 — 84</b>	<b>40%</b>	<b>60%</b>
<b>85 — 96</b>	<b>30%</b>	<b>70%</b>
<b>97 —108</b>	<b>20%</b>	<b>80%</b>
<b>109 —121</b>	<b>10%</b>	<b>90%</b>
<b>122 or more</b>	<b>0%</b>	<b>100%</b>

## **HOUSING ASSISTANCE LIMITS**

Purchase assistance will be provided to eligible home buyers on new construction single family detached and attached housing units to assist with gap financing, down payment and/or closing costs. Awards will be provided based upon financial need. No cash out will be provided to income eligible applicants, only down payment and/or closing cost assistance will be provided.

Maximum awards by income category:

Very Low	\$60,000.00
Low	\$45,000.00
Moderate	\$40,000.00
Middle	\$35,000.00

Maximum loan assistance amounts are based upon established affordability guidelines and creditworthiness as defined by established underwriting guidelines. Underwriting certification will be required.

## **FAIR HOUSING DISCLAIMER**

Title VIII of the Civil Rights Act of 1968, as amended in 1988, the Fair Housing Act makes it unlawful to engage in discriminatory practices based on race, color, national origin, religion, sex, familial status or handicap (disability) in the sale, rental, and financing of dwellings and housing related transactions.