

**AFFORDABLE HOUSING INCENTIVE PLAN
DESCRIPTION AND APPLICATION**

CITY OF LAKELAND, FLORIDA



Adopted: December 3, 1993

**Revised January 2005
Revised September 2021**

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AFFORDABLE HOUSING INCENTIVE PLAN DESCRIPTION AND APPLICATION

APPLICATION PROCESS

Completed Applications should be submitted to the Housing Programs Supervisor, Planning and Housing Division, Community and Economic Development Department, 1104 Martin Luther King, Jr. Avenue, Lakeland, Florida 33805. Any questions regarding the application process should be addressed to the Housing Programs Supervisor by phone at (863) 834-3360.

INCENTIVES AND ELIGIBILITY CRITERIA

The City of Lakeland provides a number of incentives for developers of affordable housing:

1. Expedited permitting for all Affordable Housing Developers.
2. Impact Fee Waivers or Reimbursement.
 - A. Single-Family- Developers may request impact fee reimbursements if the unit is sold to an eligible household. If the unit is located in the Central City Transit Supportive Area (CCTSA), the developer may be eligible for 100% reimbursement of impact fees (non-utility). If the unit is located outside the CCTSA, the developer may be eligible for 100% reimbursement for very low-income and low-income buyers only.
 - B. Multi-Family- Developers are eligible for 100% waiver of impact fees for income qualified units provided the development is located on a transit route that provides service at headways, or frequency, of sixty minutes or less; has a designated transit stop within 1,320 feet (1/4 mile) of the development's boundaries; and provides a direct pedestrian path to the nearest transit stop.
3. Additional development incentives, which may be approved by the Community & Economic Development Department include:
 - Density bonuses within transit-oriented corridors
 - Zero Lot Line buildings
 - Publicly-owned land available for affordable housing
 - Reservation of roadway capacity
 - Reservation of water or wastewater plant capacity
 - Reduction of parking requirements
 - Reduction of building setback requirements
 - Modification of sidewalk requirements
 - Modification of street and curb requirements
 - Modification of storm drainage system requirements
 - Master water meter (must provide proof of water conservation)

Included in the Affordable Housing Incentive Application is a checklist for the incentives that may be requested.

Affordable housing incentives will be provided if the developer shows (1) that the proposed project will be affordable to eligible beneficiaries; and, (2) the actual beneficiary is a qualified household.

Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of adjusted gross income for housing costs. For rental units, this includes utility costs. For homeowners, affordable housing is defined as housing for which the homeowner is paying no more than 30 percent of adjusted gross income toward the mortgage, including principal, interest, property taxes and insurance. A household may choose to pay more than 30 percent of its income toward housing.

The beneficiaries of single-family units should have household incomes below at or below 120% of the area median income adjusted by household size.

The beneficiaries of multi-family units should have household incomes at or below 80% of the area median income adjusted by household size.

The beneficiaries are defined as follows:

moderate income – those households whose income is greater than 80% but no higher than 120% of the area median income, adjusted by household size;

low income – those households whose income is greater than 50% but no higher than 80% of the area median income, adjusted by household size; and

very low income – those households whose income is at or below 50% of the area median income, adjusted by household size.

extremely low income – those households whose income is at or below 30% of the area median income, adjusted by household size.

Area Median incomes and Income Limits Adjusted to Family Size are updated and published annually by the U.S. Department of Housing and Urban Development (HUD), Community Planning and Development Division (CPD), and by the Florida Housing Finance Corporation (FHFC).

The affordable housing incentives will be provided for both subsidized and non-subsidized housing. For publicly subsidized and non-subsidized units, incentive reimbursements shall be based upon: (1) the income by household size of the household receiving the benefit of the incentives; and, (2) the purchase price of the home shall not exceed the maximum price established by the federal or state funding program guidelines or regulations. The household income limits shall be reviewed and adjusted annually based upon the above referenced HUD and FHFC publications. Please refer to the attached addenda:

- Addendum A --- Housing Assistance Income Schedule
- Addendum B --- Housing Assistance Maximum Purchase Price

The following are the guidelines to determine eligibility for an impact fee reimbursement:

- No incentives will be provided outside the corporate limits of the City of Lakeland.
- The builder shall obtain certification from the Community and Economic Development Department Staff. The review process outlined in sections of this incentive application would ensure affordability of the units, the necessity for the incentives, and consistency with other City goals and policies.
- Impact fee reimbursements or waivers are provided at the follows:

Single-Family:

- 1) **100% reimbursement is available** for qualifying single-family units for moderate, low and very low income units that fall within the Central City Transit Supportive Area (CCTSA).
- 2) For developments outside the (CCTSA) reimbursement is available as follows: **100%** reimbursement for **low income** and very low-income households.
- 3) The developer of single-family units must pay the appropriate fees at the time the building permit is issued. The developer must sign an affidavit of affordability to reserve impact fees for reimbursement.

4) After the sale of the affordable single-family housing unit, the developer shall be required to submit the following information to the City to receive the impact fee reimbursement:

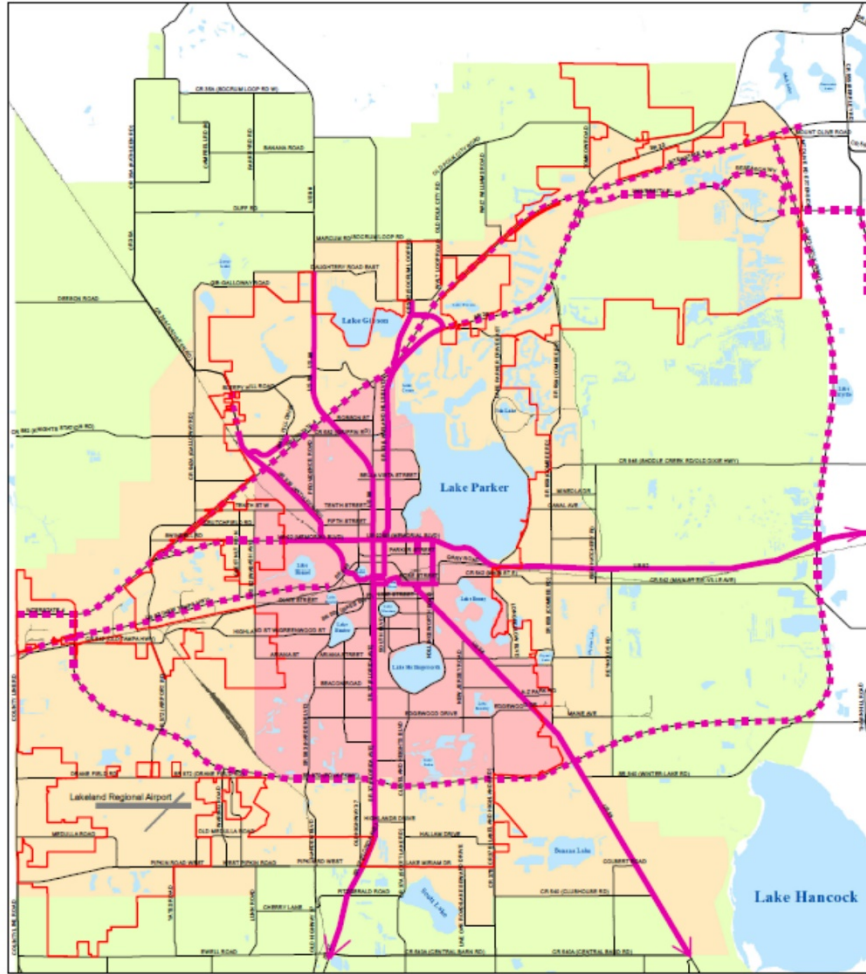
- a) Evidence of the purchase price.
- b) Documents to verify the purchaser of the unit is income qualified.




The developer shall make a request for reimbursement no later than one year from the date the Certificate of Occupancy is received. No reimbursement will be granted after this one-year period has passed.

Multi-Family:

- 1) The impact fee for qualifying multi-family units shall be subject to waiver based on the income of the household in the same amounts as single-family units.
- 2) If the development is for multi-family units receiving Housing Credits (HC), formerly known as Low Income Housing Tax Credits (LIHTC), the developer shall provide the City with a copy of the Housing Credit approval which verifies the number of units available per income level prior to issuance of the building permit.
- 3) If the developer is not receiving Housing Credits, the developers shall provide proof of financial capacity to build the number of units proposed.
- 4) Developer shall provide minimum number of units as required by the State's LIHTC program, which is 20% set aside for households earning at or below 50% of the area median income (AMI) and 40% of units at 60% of the AMI.
- 5) To be eligible for a 100% waiver, the developer shall provide proof that the development is on a transit route that provides service at headways, or frequency, of sixty minutes or less; has a designated transit stop within 1,320 feet (1/4 mile) of the development's boundaries; and provides a direct pedestrian path to the nearest transit stop.
- 6) Multi-family project shall be approved for waivers prior to issuance of a building permit based on the housing credits approval or proof of financial capacity thereof.

Central City Transit Supportive Area



-  Central City Transit Supportive Area
-  Urban Development Area
-  Suburban Area

Please call the Planning & Housing Division at (863) 834-3360 to obtain a copy of this map.

**AFFORDABLE HOUSING INCENTIVE
INSTRUCTIONS TO RECEIVE APPROVAL FOR INCENTIVES**

The City of Lakeland implemented an Affordable Housing Incentive Plan on January 1, 1994. In accordance with this plan, the following procedures were developed to assist a developer to apply for and receive requested incentives for the development of housing affordable for very low, low, and moderate-income households.

- A. The Affordable Housing Review Committee is comprised of nine persons: two persons from the Affordable Housing Advisory Committee, Director of Community and Economic Development or his designee, the Director of Public Works or his designee, the Directors of Electric and Water Utilities or their designees, the Housing Programs Supervisor, the Chief Building Official or his designee, a land planner or architect, and a representative of the local lending community. The Affordable Housing Review Committee will be utilized to review and rank applications in response to requests for proposals and requests for applications issued by the Planning and Housing Division.

- B. Instructions for Application Forms: Program information and applications may be accessed online at <http://www.lakelandgov.net/departments/community-economic-development/housing/> Community and Economic Development Department, Housing webpage. The Planning and Housing Division Staff will work with the applicant to ensure that the application packet has all the necessary information requested prior to consideration or submission to the Affordable Housing Review Committee for consideration. Including identifying specific incentives being requested, the types of units, number of units, sales price or rent level, and the potential beneficiaries. If the applicant has a detailed pro forma and development budget which provides all the requested information, those documents may be submitted as alternates to the applicable sections of the application. If there are questions about the information requested in the forms, please contact the Housing Programs Supervisor in the Community and Economic Development Department, Planning and Housing Division at (863) 834-3360.

- C. Additional information provided: In an effort to assist the applicant, the application packet also contains the Checklist for Subdivision Construction Plans, Incentives and Eligibility Criteria, Incentive Guidelines and CCTSA map, and the forms to be used when requesting impact fee reimbursements.

AFFORDABLE HOUSING INCENTIVE APPLICATION CHECKLIST

Please provide the following documentation:

1. Completed application forms.
2. The legal description of the subject property.
3. Completed Certified Affordable Housing Developer Application if not already approved.

AFFORDABLE HOUSING INCENTIVE APPLICATION

I. DEVELOPER/APPLICANT

Name: _____

Address: _____

Telephone: () _____

Contact Person (if different): _____

Address: _____

Telephone: () _____

Owner of Record: _____

Type of Organization: Please mark appropriate box below.

± Sole Proprietorship

± Limited Partnership (if limited partnership, attach name and legal entity of general partner)

± Non-Profit Corporation (if non-profit corporation, attach name, address of officers, directors, and principal place of business)

± Corporation (if a corporation, attach name, address of officers, directors, and principal place of business)

II. APPLICANT EXPERIENCE AND QUALIFICATIONS

Is applicant licensed to do business in the State of Florida? _____

Years of building/construction experience. _____

How many affordable housing units has applicant produced? _____

Rehabilitated _____ Owned _____ Managed _____

Please attach resumes and qualifications of developer, builder, and applicant.

III. PROJECT

Project Name: _____

Project site legal description: _____

Property size: _____ Proposed minimum lot size: _____

Current zoning: _____ Proposed zoning: _____

Construction type: ± Single Family Detached

 ± Single Family Attached

 ± Multi-Family

Is project located in an Incentive Area? _____

Income Level of Beneficiaries Percent of Area Median Household Income	Single Family (owner occupied) Units	Multi-Family (rental) Units	Total Proposed Units
Very Low Income (below 50%)			
Low Income (50% - 80%)			
Moderate Income (80% - 120%)			
120% and above			
Total Units			

Brief Description of Project:

IV. MULTI-FAMILY DEVELOPMENTS

A. Financial Feasibility

The following is a detailed pro forma and budget. Please identify with N/A any items that are not applicable to the subject project.

**OPERATING PRO FORMA:
FISCAL YEAR _____
(Projected for the first full year of occupancy)**

Sources of Data:

INCOME

Gross rental income	_____
+ Other income	_____
Gross possible income	_____
- 5% vacancy & collection loss	_____
Gross Effective Income	_____

OPERATING EXPENSES

Administration	_____
Compliance audit	_____
Grounds	_____
Insurance (hazard/liability)	_____
Leasing & marketing	_____
Management	_____
Miscellaneous	_____
Pest control	_____
Real estate taxes	_____
Repair & maintenance	_____
Replacement reserve	_____

Salaries & benefits _____
 Security _____
 Social events _____
 Unit turnover _____
Total Expenses _____

Per Unit Expenses _____

NET OPERATING INCOME

Income _____
 - Expenses _____

Net Operating Income _____

DEBT SERVICE COVERAGE (1st mortgage)

Net operating income _____
 / Min. debt service coverage _____ (should be at least 1.5 for 1st mortgage)

= Max. Annual debt service _____

Convert to max. Loan amount _____

LOAN-TO-VALUE (1st mortgage)

Net operating income _____

/ Capitalization rate _____ (appraisal 9-11%)

= Capitalized value _____

X Max. loan-to-value ratio _____ (maximum 75-80%)

= Maximum loan _____

EQUITY

<u>Source</u>	<u>Amount</u>	<u>Committed (Yes/No)</u>
---------------	---------------	---------------------------

LOANS

First Mortgage: Lender _____
 Address _____
 Phone (____) _____
 Beginning Principal Balance: \$ _____
 Interest Rate: _____ %
 Term: _____ Years _____ Months

Second Mortgage: Lender _____
 Address _____
 Phone (____) _____
 Beginning Principal Balance: \$ _____
 Interest Rate: _____ %
 Term: _____ Years _____ Months

Third Mortgage: Lender _____
 Address _____
 Phone (____) _____
 Beginning Principal Balance: \$ _____
 Interest Rate: _____ %
 Term: _____ Years _____ Months

OTHER SOURCES OF FUNDS: _____
_____(Use additional pages if
necessary.)

TOTAL PROJECT FINANCING \$ _____

TOTAL DEVELOPMENT COSTS \$ _____

(Please submit evidence of financing, attach copies of all commitment letters.)

DEVELOPMENT BUDGET

	Total	Per Unit	Sources of Data:
ACQUISITION COSTS:	_____	_____	
CONSTRUCTION COSTS:			
Accessory buildings	_____	_____	
Contingency	_____	_____	
Contractor's overhead/profit	_____	_____	
Housing units	_____	_____	
Other general requirements	_____	_____	
Recreational amenities	_____	_____	
Site Development:			
Road improvements	_____	_____	
Sewer	_____	_____	
Utilities	_____	_____	
Other (attach detail)	_____	_____	
Total Construction Costs	_____	_____	
GENERAL DEVELOPMENT COSTS:			
Application fees	_____	_____	
Appraisal	_____	_____	
Architect	_____	_____	
Closing costs	_____	_____	
Engineering	_____	_____	
Environmental	_____	_____	
Impact fees	_____	_____	
Insurance (risk/liability)	_____	_____	
Landscape/irrigation design	_____	_____	
Leasing/marketing	_____	_____	
Legal/accounting fees	_____	_____	
Marketing	_____	_____	
Permits	_____	_____	
Property taxes during construction	_____	_____	
Surveys	_____	_____	
Taxes	_____	_____	
Utility connection/usage	_____	_____	
Other (attach detail)	_____	_____	
Total General Dev. Costs	_____	_____	

FINANCIAL COSTS

Sources of Data:

Construction loan interest	_____	_____
Construction loan origination	_____	_____
Operating reserves required by lender	_____	_____
Permanent loan origination fee	_____	_____
Total Financial Costs	_____	_____

PROJECT COSTS

Other development costs	_____	_____
Developer overhead	_____	_____
Developer profit	_____	_____
Total Other Dev. Costs	_____	_____
TOTAL PROJECT COSTS	_____	_____

B. Proposed Occupancy & Rent Schedule

_____%, # _____ Below 50% of MSA Median Income
 _____%, # _____ Above 50% to 80% of MSA Median Income
 _____%, # _____ Above 80% to 120% of MSA Median Income
 _____%, # _____ Above 120% of MSA Median Income

Rent Schedule

Unit Type	Total #	# of Low Income	# of Very Low	Net Rents			Utility Adjustment
				Market	Low	Very Low	

Is this a Housing Credit Project? _____
 (If yes, please submit verification of State approval.)

Is this project receiving a Predevelopment or SAIL Loan? _____
 (If yes, please submit verification of State approval.)

Does the project involve any relocation? _____
 (If yes, please submit a copy of your relocation plan.)

Briefly describe your management plan for the project:

V. SINGLE FAMILY DEVELOPMENTS

A. Total Project Financial Feasibility

Land:

Appraisal, surveys, soil tests, environmental studies	_____
Legal fees	_____
Mortgages, liens, other indebtedness	_____
Purchase Price	_____
Title insurance, doc stamps, intangible tax, insurance	_____

Hard Costs:

Construction estimate	_____
Construction	_____
Contingency	_____
Demolition, site clearance	_____
Land Development	_____
Landscaping	_____
Overhead	_____
Site preparation	_____
Streets, curbs, gutters, parking, sidewalks	_____
Water, sewer extensions, hook-ups	_____

Soft Costs:

Architect/Engineer	_____
Attorney	_____
Builder's risk insurance	_____
Building permits	_____
Construction Supervisor	_____
Impact fees	_____
Marketing	_____
Property taxes during construction	_____
Soft costs contingency	_____
Utility fees	_____

Financing Costs:

Construction loan interest	_____
Lender fees	_____
Seller closing costs	_____

Total Project Costs

Profit	_____
Sales Price	_____

B. Single Family Developments, Costs Per Unit

MODEL DESIGNS								
# Bedrooms								
# Bathrooms								
Garage								
Carport								
Sq. Footage Costs	<u>Sq. Ft.</u>	<u>Amount</u>	<u>Sq. Ft.</u>	<u>Amount</u>	<u>Sq. Ft.</u>	<u>Amount</u>	<u>Sq. Ft.</u>	<u>Amount</u>
Living								
Garage								
Carport								
Other								
Total								
1. Raw Land Profit								
2. Lot Dev. Profit Developer Fee								
3. House Cost								
Direct								
Indirect								
Builder Fee								
4. Impact Fees								
5. Admin. Cost Admin. Fee								
6. Sales Costs Financing Costs								
Estimated Price (Total)								
Estimated Price (Per Sq. Ft.)								
# of Units Available to:								
Very Low Income								
Low Income								
Moderate Income								
Market Rate								

VIII. CERTIFICATION

The Developer/Applicant attests to the following:

- All information contained in the application for affordable housing certification is true and correct to the best of the developer/applicant’s knowledge.
- The developer/applicant shall provide evidence of final sales price (i.e. closing documents).
- The developer/applicant is free from any obligations or interests that would conflict with the interest of the City of Lakeland in general.
- The developer/applicant currently owns, has entered into a contract for purchase, or has an option to purchase the subject property for development.
- The developer/applicant has the capacity to plan, design, develop, and construct the affordable housing units in a timely fashion.
- The developer/applicant is not on any U.S. Department of Housing and Urban Development (HUD) list of debarred or suspended contractors.
- The developer/applicant agrees to execute all documents required by the City of Lakeland, including but not limited to documents containing affordability restrictions.

The undersigned attests that the above statements are representations of fact upon which the City of Lakeland may rely in proceeding with the project review and approval process.

Developer/Applicant Signature

Witness Signature

Type Developer/Applicant Name

Type Witness Name

Date

Date

**AFFORDABLE HOUSING INCENTIVE
REQUEST FOR IMPACT FEE REIMBURSEMENT**

This form must be submitted with the verification listed below in order to receive a reimbursement on impact fees for residential units developed and sold as affordable housing.

Name of fee payer to be reimbursed: _____

Mailing Address: _____

Daytime Telephone Number: (____) _____

Site Address(es):

FOR EACH ADDRESS LISTED ABOVE ATTACH THE FOLLOWING DOCUMENTATION:

Copy of approved loan application.

Copy of closing statement,

Copy of Warranty Deed.

Verification of household income and size.

**CITY OF LAKELAND, FLORIDA
HOUSING ASSISTANCE INCOME SCHEDULE**

% OF AREA MEDIAN INCOME	CDBG & HOME UP TO 80% (Federal Funds)				SHIP UP TO 120% (State Funds)	
	EXTREMELY LOW	VERY LOW	LOW		MODERATE	
	30%	50%	60%	80%	100%	120%
BASED ON FAMILY SIZE	HUD & FHFC	HUD & FHFC	FHFC	HUD & FHFC	FORMULA	FHFC
1	14,200	23,650	28,380	37,800	47,300	56,760
2	18,310	27,000	32,400	43,200	54,000	64,800
3	23,030	30,400	36,480	48,600	60,800	72,960
4	27,750	33,750	40,500	54,000	67,500	81,000
5	32,470	36,450	43,740	58,350	72,900	87,480
6	37,190	39,150	46,980	62,650	78,300	93,960
7	41,850	41,850	50,220	67,000	83,700	100,440
8	44,550	44,550	53,460	71,300	89,100	106,920

Income levels are based on Area Median Income (AMI) for family of four at \$67,500.

Data effective April 18, 2022 and retrieved from the following web sources:

HUD - <https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn>

Florida Housing Finance Corporation (FHFC) -

<https://www.floridahousing.org/owners-and-managers/compliance/income-limits> (2022)

Rev. Proc. 2022-21	
County	SHIP Limit*
Baker	\$ 359,263.80
Broward	\$ 382,194.90
Clay	\$ 359,263.80
Collier	\$ 458,634.60
Duval	\$ 359,263.80
Martin	\$ 358,308.00
Miami-Dade	\$ 382,194.90
Monroe	\$ 590,491.80
Nassau	\$ 359,263.80
Okaloosa	\$ 448,124.40
Palm Beach	\$ 382,194.90
St. Johns	\$ 359,263.80
St. Lucie	\$ 358,308.00
Walton	\$ 448,124.40
All Other Areas	\$ 349,525.80

*90 percent of the IRS Limit

