

AGENDA

Community Redevelopment Area Advisory Board

Thursday, April 1, 2021 | 3:00 PM – 5:00 PM

A. Financial Update & Project Tracker*

B. Housekeeping

C. Action Items

- i. Old Business
 - i. Meeting Minutes March 4, 2021 (Pg. 5-8)
- ii. New Business

D. Discussion Items

- i. Subordination Policy & Terms (Pg. 9-18)

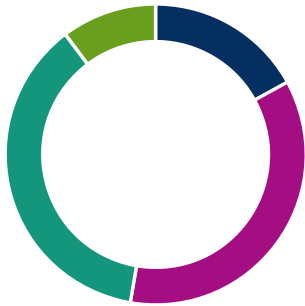
E. Adjourn

* For Information

NEXT REGULAR MEETING:

Thursday, May 6, 2021 3:00 - 5:00 PM – TBD

Downtown Fund



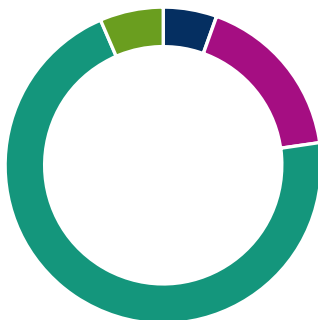
■ Available	\$655,187
■ Expenses	\$1,374,907
■ Encumbrances	\$1,427,487
■ Grant Allocations	\$395,000

Dixieland Fund



■ Available	\$389,829
■ Expenses	\$66,154
■ Encumbrances	\$742,858
■ Grant Allocations	\$200,000

Midtown Fund



■ Available	\$395,665
■ Expenses	\$1,243,832
■ Encumbrances	\$5,111,734
■ Grant Allocations	\$468,187

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

PROJECT PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Project	Status	Phase	Funding Allocated	Notes
114 E. Parker	ON TRACK	Pre-Construction	\$1,300,000.00	Pre-Construction Phase
Lake Parker Art Path	ON TRACK	Completed	\$820,000.00	Construction Complete Signage Underway
Five Points Roundabout	POTENTIAL RISKS	Construction	\$175,000.00	Cul De Sac Under Construction Complete Roundabout Design Phase 30% Complete
Robson Neighborhood Septic to Sewer	ON TRACK	Planning	\$50,000.00	Partnership with Housing Division
Tapatios	ON TRACK	Construction	\$340,000.00	Complete
Mirrorlon	ON TRACK	Construction	\$970,000.00	50% Complete
N. Massachusetts Ave Development Agreement	ON TRACK	Agreement Pending		Developer Due Diligence
Providence Rd	ON TRACK	Design	\$1,100,000.00	DRMP Designing Project
W. 14th Street Sidewalk & Pedestrian Enhancements	ON TRACK	Construction	\$280,000.00	25% Complete
South Florida Road Diet	ON TRACK	Test Phase	\$350,000.00	Staff Drafting Art Infusion Guidelines
Central Avenue Pedestrian Improvements	ON TRACK	Preliminary	\$75,000.00	Design
N. Kentucky Parking Improvements	ON TRACK	Construction Phase	\$250,000.00	76% Complete

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

PROGRAM PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Grants/Programs	Status	Awards	Notes
Alley Vacating	ON TRACK	1	Downtown to Facilitate 313 N. Mass Development
Affordable Housing Partnerships	ON TRACK	4	Providence Reserve Seniors- Construction Underway; Twin Lakes Phase II Midtown Lofts-70+ Units Vermont Ave Apartments- 16 Units
Design Assistance	ON TRACK	3	Robinson-Kyles
Down Payment Assistance	ON TRACK	0	Underway; Housing Administered
Façade and Site	ON TRACK	1	Robinson-Kyles
Fix-It Up	ON TRACK	0	Underway; Housing Administered
Food Related	ON TRACK	1	Krazy Kombucha
Infill- New Construction	ON TRACK	18	Affordable Housing Land Bank Awarded
Infill Adaptive Reuse	ON TRACK	5	Coney Funeral Home; Robinson-Kyles; The RecRoom; Mary's Bagels; Krazy Kombucha
Murals	ON TRACK	1	Dixieland Art Infusion: 13 Applications Submitted, 1 Building Painted, 1 Mural Complete.
Downtown Second Floor Renovations	ON TRACK	0	\$50,000 Allocation

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday March 4, 2021
3:00 – 5:00 PM
Virtual Meeting**

Attendance

Board Members: Pastor Edward Lake (Chair), Brandon Eady (Vice-Chair), Frank Lansford, Commissioner Chad McLeod, Brian Waller, Harry Bryant, Clifford Wiley, Dean Boring and Cory Petcoff

Absent: Brian Goding and Zelda Abram

Staff: Alis Drumgo, Terrilyn Bostwick, Iyanna Jones, Damaris Stull, D’Ariel Reed and Heisel Ortiz

Guests: Jonathan Rodriguez, Mike Mustard, Brian Rewis, Jerrod Simpson, and Adil R. Khan, MHA (Phoenix Properties, LLP)

Packets

- Meeting Minutes dated January 7, 2021
- Financial Update
- Project Progression Report
- Memo- Science, Technology, Engineering, Mathematics and Manufacturing Incentives Program (STEMM)
- Memo- Encouraging Growth Development & Expansion Incentive Program (EDGE)
- Memo- 103 West 7th Street Disposition
- Memo – Mortgage Subordination Policy

Housekeeping

Action Items – Old Business

Financial Update & Project Tracker

Alis Drumgo noted progression of the Dixieland Art Infusion program. Staff is working towards reaching all business owners in the Dixieland area. Tapatios has been completed. Recent grant inquiries from Nathan’s. Midtown Lofts coming to a close, ribbon cutting set for April 26.

Meeting Minutes Dated January 7, 2021

Cory Petcoff moved to approve minutes. Harry Bryant seconded the motion which passed unanimously.

Action Items – New Business

Science, Technology, Engineering, Mathematics and Manufacturing Incentive Program (STEMM)

In 2016, Tindale Oliver completed an Economic Development study which was part of the strategy in East Main District, one of Midtown's target areas. As short-term goals, Staff specifically marketed the existing Midtown CRA incentives including Design Assistance, Façade and Site Improvement Matching Grants. The Food-Related Services Incentive, available only in Dixieland, was also made available in the East Main District.

In addition, the Job-Related Incentive was made available in the East Main District for companies creating new jobs. This program included: \$5,000 incentives for each full-time job, and \$2,500 for relocation of jobs within Polk County. The grant required creation of a minimum of five (5) jobs with a maximum of 210 jobs. The grant award is paid in arrears for the entire calendar year upon certification of positions being filled for the entire year. Payments for this grant are in lump sum annually over a five (5) year term.

Since target marketing began in East Main District, Staff has administered a dozen Design Assistance, Façade, & Site and Infill Reuse Grants. However, there have been no Food-Related Incentives awarded, and there has been only one award for the Job-Related Incentive. Annually since 2018, Colorado Boxed Beef has received \$210,000, and the CRA's obligation will be completed in 2022.

During City of Lakeland 2021 Strategic Planning meeting with the City Commissioners, leaders focused on key Strategic Target Areas. City Commissioners held extensive conversations regarding Economic Opportunity Goals, so Lakeland could attract and retain a talented, educated, creative, and technically qualified workforce. Priorities include increasing the average wage for incoming businesses to receive city incentives, to attract high wage jobs with a focus on education, and raise threshold for those targeted incentives; while aligning with the City's program. City intends to offer a Manufacturing/Research and Development program as one component of an Economic Development Infrastructure Incentive that will focus on generating higher wage jobs, in the manufacturing/research and development sectors, for those businesses that are located or expanding within the city. Eligible businesses must be located outside of the redevelopment area.

To align with the City's incentive, the CRA is proposing an Economic Development Infrastructure Incentive focused on Science, Technology, Engineering, Mathematics and Manufacturing (STEMM) to recruit those businesses that are incoming to or expanding in the Midtown CRA. To be eligible, applicants must meet one of three criteria of creating a minimum of 10 new jobs paying 150% average wage (\$65,048), creating a minimum of 25 new jobs paying 125% average wage (\$54,206), or creating a minimum of 50 new jobs paying 115% average wage (\$49,870) of Polk County. Also, businesses must make a minimum capital investment of \$2.5 million. CRA would pay in a lump sum payment for eligible improvements of permitting fee reimbursement, water and wastewater impact fees, relocation of water, wastewater and elective transmission lines, infrastructure improvements, electric transformers and dual feeds, or transportation and traffic improvements. Maximum available incentive per project will be \$150,000.

Staff is recommending to adopt STEMM Incentive with the wage thresholds presented. With the reallocation of \$150,000 from the East Main District Job-Related funds for the starting year of 2022. The request is also to sunset the Job Related Pilot Incentive.

Brandon Eady moved to approve Staff's recommendations. Clifford Wiley seconded the motion which passed unanimously.

Encouraging Growth Development & Expansion Incentive Program (EDGE)

Alis Drumgo presented on the Encouraging Growth Development & Expansion (EDGE) Incentive Program. The Food-Related Services Incentive program that was started in Dixieland. The grant program covers up to \$15,000 dollar-for-dollar matching funds to attract food related businesses coming into the Dixieland CRA, which then was expanded to the East Main District in 2016. The grant targets businesses

sit-down restaurants, potential grocers, cafés, health and produce markets, and mobile food establishments. Grant funding approved uses are for: electrical/plumbing upgrades, installation of attached fixtures, grease traps, utility connections, venting systems, sprinkler systems, solid waste and recycling management, mechanical electrical and plumbing engineering services. The program has attracted Born & Bread Bakehouse, Patriot Coffee, Nineteen61, D'Lucas and Hillcrest Coffee. However, there have been no incentives awarded in the East Main District.

During the October 2020 retreat, CRA Advisory Board asked Staff to loosen the grant restrictions in the redevelopment areas to support small businesses and provide funding for businesses that want to grow in place, but do not have the capital required to engage in other CRA Incentives.

City of Lakeland intends to offer an EDGE Program for expanding small and mid-sized manufacturers that use innovative technology. The grant is also geared towards food related businesses and caps out at \$10,000. Eligible businesses must be located outside of the redevelopment areas. To align with the City's intent, the CRA intends to offer EDGE Program within the redevelopment areas with a maximum reimbursement of \$25,000. This will be an additional grant; it will not replace other grants being offered.

Staff is recommending the adoption of the EDGE Program that will be offered within Dixieland, Downtown and Midtown. Program will be funded through the small project assistance line item in each District. Since food related businesses will be targeted as well within the EDGE grant, Staff is requesting sunset of Food-Related Incentive as a standalone program.

Brandon Eady moved to approve Staff's recommendation. Cory Petcoff seconded the motion which passed unanimously.

103 West 7th Street Disposition

CRA acquired a 10,584 square foot vacant property at 103 West 7th Street, which is located along US-98, on May 10, 2007. The property has an assessed value of \$13,364, with an average annual carrying cost of \$536.41. In January 2020, Staff was contacted by a local attorney interested in constructing a 3,500 square foot office/medial building. After considering building size and layout, use, zoning regulations and site improvements, the applicant decided not to move forward with this specific location.

On November 30, 2020, Staff received an official letter of interest to purchase the property from 103 W. 7th Street, LLC. In accordance with Florida Statute 163.380, Staff published a Notice of Disposition in The Ledger on Monday, December 28, 2020. Development requirements included minimum of 2,500 square feet of office, commercial or retail space. The ability to accommodate parking on-site with cross access to the adjacent parcel, and a minimum purchase price of \$30,000. The proposed development must align with Midtown Districts goals. Proposals were due on Wednesday, January 27, 2021. Only two proposals were received. 103 West 7th, LLC submitted a proposal to purchase the property for \$30,000 for the construction of a two-story mixed use building with 2,500 square feet of retail/office space on the ground floor and housing for medical personnel, as permanent or temporary living quarters, on the second floor. Phoenix Properties, LLP submitted a proposal to purchase the property for \$32,000 for the construction of a medical facility of approximately 2,600 square feet or larger.

On February 10, 2021, Staff received written notification from 103 West 7th, LLC formally withdrawing interest in purchasing the property.

Adil R, Khan, MHA presented his proposal on behalf of Phoenix Properties, LLP. Adil R. Khan, MHA noted that Phoenix Properties, LLP has had a presence in Lakeland for over 70 years. Currently, Lakeland Regional Health, is a significant client of Phoenix Properties, LLP. At this time Phoenix Properties, LLP owns several properties along US-98 that will connect with the property on 103 West 7th Street. Adil R.

Khan requested CRA Advisory Board approval of the proposal to purchase the property on 103 West 7th Street.

Staff recommended the Board authorize Staff to negotiate a Development Agreement with Phoenix Properties, LLC for the purchase of 103 West 7th Street at the proposed purchase price of \$32,000, which will go before the City of Lakeland's Real Estate & Transportation Committee for formal approval.

Frank Lansford moved to approve proposal as presented. Clifford Wiley seconded the motion which passed unanimously.

Discussion Items

Mortgage Subordination

Alis Drumgo noted that the CRA has provided down payment assistance with a lien or promissory note at closing that gives first right of action to the CRA if the homeowner were to refinance or sale. Given the recent trend in lowering mortgage interest rates, the CRA has received several requests to subordinate mortgage position in the past several months. Within the Midtown District terms of obligation have fluctuated between 30 years, to most recently, 5-year terms. CRA has loosely followed housing's policy which in turn, has called to question some changes in terms within the last few years.

Brian Rewis provided background information to the City of Lakeland's housing subordination policy, which he partly wrote. Brian Rewis recommended that Staff revises the City of Lakeland housing subordination policy to align with the CRA.

Discussion ensued regarding the City of Lakeland housing subordination policy, different terms, and owner's reason for refinancing.

Commissioner McLeod requested that Staff compile list of those under a subordination policy and their current terms, expiration dates, and amount of down payment assistance provided which will be brought forth for further discussion.

Alis Drumgo reminded Advisory Board Members of Midtown Lofts ribbon cutting on April 26th at 9:30am.

Adjourned at 4:21 PM

Next Meeting, Thursday, April 1, 2021 3:00 PM.

Pastor Eddie Lake, Chairman

Date



228 S MASSACHUSETTS AVE
LAKELAND, FLORIDA 33801
863.834.6011

Memo

To: CRA Advisory Board
From: Alis Drumgo, CRA Manager
Date: April 1, 2021
Re: Subordination Policy

I. Background:

At the March 4th meeting, the CRA Advisory Board engaged in discussion regarding the City of Lakeland's Housing Division and CRA's subordination policy. A subordination is deferred debt, associated with the public funds provided to facilitate the issuance of a mortgage. There are various reasons a homeowner may ask the City/CRA to subordinate, but the more frequent requests are to refinance, make home improvements or sell the home. Typically, a subordination is not granted without repayment of the assigned debt. This is done for several reasons. Amongst them are:

- To protect homeowners from adjustable rate mortgages (ARM)
- To prevent balloon payments
- To prevent opening lines of credit
- To prevent reverse mortgages or negative amortization
- To prevent cash payments to the homeowners when a refinance occurs

The Housing Division's subordination policy is not to subordinate, and the CRA has loosely followed the policy. While Housing offers home purchase assistance on an income-based basis, the CRA's original intent of the down payment assistance program differs in that the CRA's funding was utilized to attract buyers to CRA areas since those buyers would have other options to purchase outside of the redevelopment area.

At the previous meeting, Staff provided a general overview of the Housing Division's policy and explained that the CRA has revised the down payment assistance program multiple times with some repayment terms ranging from 5 to 30 years. With that information, the Advisory Board requested a detailed breakdown of the existing agreements with the terms, amounts owed and maturation dates. Attached is a full list of the active agreements with the names and addresses of the homeowners withheld.

In summation:

- There are 87 agreements in place
 - 24 Agreements span 20+ years
 - 24 Agreements span 10 years
 - 36 Agreements span 5 years
 - 3 Agreements have conditional terms that have indefinite clauses

II. Subordination Policy

Taking the Advisory Board's comments into consideration, Staff put together a standalone CRA policy that allows for some flexibility due to the nature of the CRA's down payment assistance program. The Housing Division's policy is enclosed for reference.

Please be prepared to discuss both the proposed subordination policy and the agreement terms as anticipated.

III. Board Consideration

At the Board's discretion to:

- Approve the CRA's Subordination Policy as presented by Staff.
- Consider term adjustments for the existing agreements

IV. Attachments

- Housing Division Subordination Policy
- Proposed CRA Subordination Policy
- Active CRA Down Payment Assistance Agreements

Number	Origination Date	Amount of Down Payment Assistance	Years of Term	Expiration Date
1	5/27/2007	\$35,000.00	20	2027
2	6/8/2008	\$35,000.00	20	2028
3	7/3/2008	\$48,000.00	20	2029
4	9/26/2008	\$35,000.00	20	2029
5	5/29/2009	\$34,000.00	20	2030
6	6/29/2009	\$30,000.00	20	2030
7	7/7/2009	\$30,000.00	20	2030
8	12/15/2009	\$31,350.00	20	2030
9	2/5/2010	\$49,910.00	20	2031
10	3/12/2010	\$48,750.00	20	2031
11	3/29/2010	\$57,500.00	20	2031
12	5/28/2010	\$34,471.28	20	2031
13	5/28/2010	\$32,800.00	20	2031
14	7/22/2010	\$32,800.00	20	2031
15	9/24/2010	\$35,000.00	20	2031
16	12/23/2010	\$30,000.00	20	2031
17	12/9/2011	\$30,000.00	20	2032
18	6/28/2012	\$35,000.00	20	2033
19	9/14/2012	\$30,000.00	20	2033
20	7/10/2013	\$30,000.00	20	2033
21	7/10/2014	\$15,000.00	20	2035
22	6/15/2015	\$6,250.00	20	2035
23	7/15/2016	\$35,000.00	20	2036
24	4/11/2017	\$20,349.89	20	2037

Number	Origination Date	Amount of Down Payment Assistance	Years of Term	Expiration Date
1	5/26/2005	\$73,200.00	Indefinite	Upon Sale
2	11/18/2005	\$32,850.00	50% Due	Upon Sale
3	11/21/2006	\$15,000.00	Indefinite	Refi or Upon Sale

Number	Origination Date	Amount of Down Payment Assistance	Years of Term	Expiration Date
1	9/20/2010	\$36,000.00	10	2021
2	10/5/2010	\$35,000.00	10	2021
3	12/10/2010	\$35,000.00	10	2021
4	11/27/2018	\$25,000.00	10	2028
5	12/15/2018	\$25,000.00	10	2028
6	12/21/2018	\$25,000.00	10	2028
7	12/21/2018	\$25,000.00	10	2028
8	1/25/2019	\$25,000.00	10	2029
9	1/25/2019	\$25,000.00	10	2029
10	2/1/2019	\$25,000.00	10	2029
11	2/15/2019	\$25,000.00	10	2029
12	2/26/2019	\$25,000.00	10	2029
13	3/1/2019	\$25,000.00	10	2029
14	5/30/2019	\$25,000.00	10	2029
15	5/31/2019	\$25,000.00	10	2029
16	6/14/2019	\$25,000.00	10	2029
17	7/10/2019	\$25,000.00	10	2029
18	7/15/2019	\$25,000.00	10	2029
19	8/29/2019	\$25,000.00	10	2029
20	9/12/2019	\$25,000.00	10	2029
21	10/11/2019	\$25,000.00	10	2029
22	11/15/2019	\$25,000.00	10	2029
23	12/18/2019	\$25,000.00	10	2029
24	1/10/2020	\$25,000.00	10	2030

Number	Origination Date	Amount of Down Payment Assistance	Years of Term	Expiration Date
1	11/1/2016	\$26,000.00	5	2021
2	1/13/2017	\$10,800.00	5	2022
3	1/17/2017	\$18,000.00	5	2022
4	3/3/2017	\$26,700.00	5	2022
5	6/16/2017	\$15,980.00	5	2022
6	7/14/2017	\$31,000.00	5	2022
7	8/16/2017	\$19,800.00	5	2022
8	11/9/2017	\$31,000.00	5	2022
9	11/10/2017	\$12,000.00	5	2022
10	11/27/2017	\$20,800.00	5	2022
11	12/15/2017	\$31,000.00	5	2022
12	12/15/2017	\$29,200.00	5	2022
13	12/22/2017	\$17,652.60	5	2022
14	2/16/2018	\$26,000.00	5	2023
15	3/16/2018	\$24,000.00	5	2023
16	3/21/2018	\$28,380.00	5	2023
17	3/23/2018	\$25,600.00	5	2023
18	4/13/2018	\$25,000.00	5	2023
19	4/30/2018	\$20,740.00	5	2023
20	5/7/2018	\$24,980.00	5	2023
21	5/15/2018	\$30,000.00	5	2023
22	5/15/2018	\$29,180.00	5	2023
23	5/18/2018	\$30,000.00	5	2023
24	6/4/2018	\$17,000.00	5	2023
25	6/11/2018	\$27,500.00	5	2023
26	6/15/2018	\$20,000.00	5	2023
27	6/15/2018	\$27,620.00	5	2023
28	6/22/2018	\$18,000.00	5	2023
29	7/20/2018	\$20,000.00	5	2023
30	11/13/2018	\$20,000.00	5	2023
31	12/5/2018	\$20,000.00	5	2023
32	12/14/2018	\$20,000.00	5	2023
33	12/14/2018	\$20,000.00	5	2023
34	2/1/2019	\$20,000.00	5	2024
35	4/26/2019	\$20,000.00	5	2024
36	3/13/2020	\$30,000.00	5	2025



Community & Economic
Development

Community Planning & Housing Division
1104 Martin L. King, Jr. Ave.
Lakeland, FL 33805
Phone (863) 834-3360 Fax (863) 834-6266

Subordination Policy

1. It is the policy of the City of Lakeland not to subordinate its Affordable Housing Liens or Mortgages.
2. To be considered for special consideration of a waiver of this policy, the lending institution must submit a written request and \$100.00 non-refundable application fee to:

City of Lakeland, Housing Division
Attn: Annie L. Gibson, Housing Programs Supervisor
1104 Martin Luther King, Jr. Avenue
Telephone (863) 834-3360
Lakeland, Florida 33805
Fax (863) 834-6266

3. Requests for waiver of the policy must be approved by the Director of Community Development, or his designee.
4. The following documentation must be provided to the Neighborhood Services Manager for consideration of waiver:
 - Proof of licensure to do business in the State of Florida.
 - Authorization for Release of Information signed by the homeowner(s). Signatures will be verified.
 - Reason for the subordination request.
 - Supporting documentation as to the validity of the reason.
 - Lender's Good Faith Estimate.
 - Complete terms and conditions of the existing loan and the new loan.
 - Information about payment of taxes and insurance.
 - Copy of appraisal or property valuation information with method of determining same.

Note: Consideration will not be given to any request for waiver of the subordination policy without this information. Additional information may be required.

5. Requests for waiver will be reviewed and a decision made on a case by case basis on such merits as the following:
 - Emergency need arising from a natural disaster.
 - Emergency housing repairs which eliminate a threat to the health or safety of the occupants or that eliminate an immediate or imminent danger to the dwelling itself.
 - Refinancing to lower the interest rate on the first mortgage if the closing costs and/or fees can be recovered within four (4) years.

- There is sufficient property value to support all outstanding mortgages.
 - Refinancing for educational purposes.
 - Refinancing for medical emergencies.
6. Request for waiver will not be considered under the following circumstances:
- The interest rate on the new mortgage exceeds the interest rate of the existing mortgage.
 - The cumulative loan-to-value ratio exceeds 100%.
 - The housing debt-to-income exceeds 33%.
 - The total debt-to-income ratio exceeds 40%.
 - There is cash paid out to the borrower(s).
 - The mortgage lender and applicant fail to provide all required documentation.
7. Additionally, no subordination request shall be approved if it contains any of the following provisions:
- Adjustable rate mortgage (ARM)
 - Balloon payment(s)
 - Open line of credit
 - Reverse mortgage
 - Prepayment penalty
 - Interest only mortgage
 - Negative amortization
8. The City of Lakeland very rarely agrees to subordinate its affordable housing liens or mortgages. Usually such consideration is given only for proven hardship. **Payment of credit card debt is not a basis for waiver of the City's policy not to subordinate. It is the intent that granting of subordination shall be one time only and shall not include any liens/mortgages recorded subsequent to the City's lien interest.** In the rare instance that the City agrees to subordination, it takes a minimum of three weeks to render such a decision to the lender.
9. In the event a subordination request or waiver of this policy is granted, such approval will be conditioned on the terms of the refinanced mortgage, and if any of said terms change, the approval will be rescinded without compensation to the applicant. Further, approval will be for a period of not more than 90 days unless expressly authorized or an extension approved by the Neighborhood Services Manager. If the transaction fails to close within the 90 days, and no extension has been granted, the approved subordination request will expire.

Revised 8/26/09
 Revised 10/18/10
 Revised 11/13/2019

CRA Subordination Policy

1. It is the policy of the City of Lakeland Community Redevelopment Agency **not to subordinate** its Down Payment Assistance Liens or Mortgages on a case by case basis.
2. For consideration of subordination, the lending institution must submit a written requests and \$100 non-refundable application fee to:

City of Lakeland Community Redevelopment Agency

Attn: CRA Manager
228 S. Massachusetts Avenue
Lakeland, FL 33803
(863) 834-6064

3. The CRA Manager can approve any subordination request that results in the refinance and/or sale of property provided that:
 - The refinance does not result in monies back to the homeowner.
 - The homeowner settles the outstanding agreement during the transaction.
 - The homeowner is within one year of satisfying the term and is selling to relocate within the Midtown CRA and maintains homestead of the property.
4. All other requests must be approved by the Director of Community & Economic Development or her designee.
5. The following documentation must be provided to the CRA Manager for consideration:
 - Proof of licensure to do business in the State of Florida.
 - Authorization for Release of Information signed by the homeowner(s).
Signatures will be verified
 - Reason for the subordination request.
 - Supporting documentation as to the validity of the reason.

- Lender's Good Faith Estimate.
- Complete terms and conditions of the existing loan and new loan.
- Information about payment of taxes and insurance.
- Copy of appraisal or property valuation information with method of determining same.

Note: Consideration will not be given to any request for waiver of the subordination policy without this information. Additional information may be required.

6. Requests for waiver will be reviewed and a decision made on a case by case basis such merits as the following:
 - Emergency need arising from a natural disaster.
 - There is sufficient property value to support all outstanding mortgages.
 - Refinancing for educational/educational debt purposes.
 - Refinancing for medical purposes.
 - Refinancing for reinvestment in and/or expansion of existing home which will remain the homeowner's homestead property.
 - i. Documentation must be provided to support the renovation plans, cost and schedule for completion.
7. Request will not be considered under the following circumstances:
 - The interest rate on the new mortgage exceeds the interest rate of the existing mortgage.
 - The cumulative loan-to-value ratio exceeds 100%.
 - The housing debt-to-income exceeds 33%.
 - The total debt-to-income ratio exceeds 40%.
 - There is cash paid out to the borrower(s).
 - The mortgage lender and applicant fail to provide all required documentation.

8. Additionally, no request shall be approved if it contains any of the following provisions.

- Adjustable Rate Mortgage (ARM)
- Balloon Payment(s)
- Open Line of Credit
- Reverse Mortgage
- Prepayment Penalty
- Interest only Mortgage
- Negative Amortization
- Payment of Educational

9. Subordination approval shall be a onetime occurrence and shall not include any liens/mortgages subsequent to the CRA's interest. In the instance that CRA agrees to subordination, it takes a minimum of three weeks to render such a decision letter to the lender.

10. In the event a subordination request or waiver of this policy is granted, such approval will be conditioned on the terms of the refinanced mortgage, and if any of the terms change, the approval will be rescinded without compensation to the applicant. Further approval will be for a period of not more than 90 days unless authorized for an extension approved by the CRA Manager. If the transaction fails to close within the 90 days, and no extension has been granted, the approved subordination request will expire.