

# **FLAGLER COUNTY**

## **SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

### **FISCAL YEARS COVERED**

**2010-2011**

**2011-2012**

**2012-2013**

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**I. PROGRAM DESCRIPTION**

**A. Name of the participating local government and Interlocal if Applicable:  
*Section 420.9072(5), F.S.***

FLAGLER COUNTY

Interlocal : Yes   X   No           

Name of participating local government(s) in the Interlocal Agreement;

CITY OF PALM COAST.

A copy of the Interlocal Agreement is attached as **Exhibit H.**

**B. Purpose of the program:**

Creation of the Plan is for the purpose of meeting the housing needs of the very low, low income and essential services personnel households (which includes moderate) to expand production of and preserve affordable housing and to further the housing element of the local government comprehensive plan specific to affordable housing.

Very low income persons are defined as households whose annual gross income does not exceed 50 percent of the Area Median Income (AMI). Low income persons are defined as households whose income does not exceed 80 percent of the AMI, and moderate income is defined as households whose income does not exceed 120 percent of the AMI.

Thirty percent (30%) of these funds will be utilized to assist very-low income families. Thirty percent (30%) of these funds will be utilized to assist low-income families. The remaining funds, if any, within all strategies will be used for income eligible families. SHIP funds cannot be used to purchase manufactured housing unless the manufactured housing is constructed after June 1994 and bear the Department of Community Affairs insignia. (Chapter 553, F.S.). No more than 20% of funds made available in each county and eligible municipality may be used to purchase or repair manufactured housing.

**C. Fiscal years covered by the Plan:**

2010/2011  
2011/2012  
2012/2013

**D. Governance:**

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37.007 Florida Administrative Code. The SHIP Program does further the housing element of the local government Comprehensive Plan. Cities and Counties must be in compliance with these applicable statutes and rules.

**E. Local Housing Partnership**

Flagler County's SHIP Program encourages, building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups. Flagler County partner with Habitat for Humanity, United States Department of Agriculture (USDA) and Section 8.

**F. Leveraging:**

The Plans are intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

**G. Public Input:**

Public input was solicited through face to face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and Notice of Funding Availability. The City of Palm Coast reviewed the LHAP on April 6<sup>th</sup>, 2010. Flagler County Board of County Commissioners reviewed the LHAP on April 5<sup>th</sup>, 2010. Both meetings were advertised on the City of Palm Coast and Flagler County websites. The LHAP document was made available to the public at [www.flaglercounty.org](http://www.flaglercounty.org) and [www.ci.palm-coast.fl.us](http://www.ci.palm-coast.fl.us).

The annual reports are available for review and public comments on the Flagler County website.

**H. Advertising and Outreach**

The county or eligible municipality or its administrative representative shall advertise the notice of funding availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to

a waiting list, no notice of funding availability is required. Flagler County will also provide notification of funding availability at the County offices by maintaining a supply of flyers that explain the assistance available to families of qualifying income levels.

**I. Discrimination:**

In accordance with the provisions of F.S.760.20-760.37, it shall be unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

**J. Support Services and Counseling:**

Support services are available from various sources. Available support services may include but are not limited to:

Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Mortgage Prevention Counseling and Transportation.

**K. Purchase Price Limits:**

Purchase Price Limits: The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units can be lower but may not exceed 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

Independent Study (copy attached)

U.S. Treasury Department

Local HFA Numbers

The purchase price limit for new and existing homes is shown on the Housing Delivery Goals Charts.

**L. Income Limits, Rent Limits and Affordability:**

The income and rent limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. Affordable means that monthly rents or

mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), F.S. However it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

**M. Welfare Transition Program:**

Should an eligible sponsor be used, the County has developed a qualification system and selection criteria for applications for awards to eligible sponsors, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.

**N. Monitoring and First Right of Refusal:**

In the case of rental housing, the staff or entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides the same monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored for at least annually for 15 years or the term of assistance whichever is longer unless specified above.

Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

**O. Administrative Budget:**

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as **Exhibit A**. These are presented on an annual basis for each State fiscal year submitted.

The City of Palm Coast and Flagler County finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan. In accordance with Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, a

county or eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient adequately pay the necessary costs of administering the local housing assistance plan. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund except that small counties as defined in s.120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.

The City of Palm Coast and Flagler County has adopted the above findings in the attached resolution.

### **Exhibit E.**

#### **O. Program Administration:**

Administration of the local housing assistance plan is the responsibility of Flagler County. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program provide in details the duties, qualification and selection criteria.

#### **Q. Essential Services Personnel:**

Essential services personnel includes teachers, educators, other school district employees, community college employees, police, sheriff, fire personnel, health care personnel, skilled building trades personnel, government employees and all other full-time employees whose income is between 80 percent and 120 percent of AML for that jurisdiction.

#### **R. Green Initiatives:**

Flagler County is in the process of obtaining their Green Local Government Designation from the Florida Green Building Coalition. Flagler County will adhere to the Florida Board Code Provision. Contractors working on SHIP rehabilitation and replacement homes will have to identify from the Florida Green Building Coalition (F.G.B.C) checklist (Schedule A, Version 6) which items they are complying.

The City of Palm Coast adopted Resolution No. 2008-75 in May 2008 which positioned the with a "Leading by Example" posture. With this resolution and in relation to housing, the City committed to evaluate green development incentives and mandatory land development regulations.

As a result of Resolution 2008-75, the City of Palm Coast adopted the Unified Land Development Code (Ordinance 2008-16), which incorporated fifty-seven green elements into the code. In addition, the City of Palm Coast City Council adopted the Green Development Incentive Program Ordinance (Ordinance No. 2009-22) and Green Incentive Fee Waiver Resolution (Resolution No. 2009-182). The Green Development Incentive Program facilitates a voluntary program that promotes established green certification programs through an incentive-based approach. This Program targets cost reductions as follows: Single-family (\$300), Commercial (\$1,000), and Development (\$2,500). In addition, this Program provides the following incentives: permit review fast tracking, 100% building permit review waiver, one (1) no-cost Florida Green Building Coalition (FGBC) certification review by City staff per Program Participant for new single-family homes, educational workshops for general public and program participants, and promotion of participants and associated projects through City media resources.

## II.

Approved by BCC 4/5/2010  
Approved by City of Palm Coast 4/6/2010  
Approved BY FHF 5/11/2010  
L.H.A.P w.e.f. July 1, 2010

**LHAP HOUSING STRATEGIES: Chapter 67-37.005(5), F.A.C.**

Provide Description:

**A. Name of the Strategy: Purchase Assistance-without Rehab.**

- a. Summary of the Strategy: Provide first time homebuyers with purchase assistance, construction subsidy, (including County impact fees and private utility impact fees), mortgage amount reduction, mortgage interest rate subsidies, and/or direct mortgage loans for very low, low income families and/or essential services personnel to allow the purchase of existing, newly constructed or newly rehabilitated affordable housing in accordance with the provisions of Section 420 Florida Statutes. SHIP funds may be used to purchase manufactured housing/mobile homes if the home is constructed after June 1994 and bear the Department of Community Affairs insignia. (Chapter 553, F.S.). The maximum amount of funding cannot exceed twenty percent (20%) of funds made available in each county. Selection is first ready (first applicant who has fully completed the pre-screening process). A first time homebuyer is an eligible SHIP applicant who has not had an ownership interest in their principal residence for the past three (3) years. Applicants must contribute a minimum of \$500 for very low income, \$1,000 for low income and \$1,500 for moderate income towards the home purchase.

These amounts can include paid out of closing (p.o.c.) amounts on the HUD settlement statement. Examples include: pest inspection, home inspection, real estate taxes, and sweat equity for Habitat for Humanity applicants.

Applicants cannot take a third lien on the property. The only exception is a second SHIP lien in another category.

For purchase assistance Flagler County SHIP program will take third place behind Habitat for Humanity, Section 8, bond financing as provided by the state, local Housing Finance Agency which includes the down payment assistance associated with these programs.

- b. Fiscal Years Covered: For Fiscal Years 2010-2011, 2011-2012, 2012-2013.
- c. Income Categories to be served: The funds will be utilized for purchase assistance (including closing costs). Households to be served are very-low, low and moderate. Priority will be given to very-low and low income qualified applicants when necessary in order to meet the SHIP percentage requirements. Priority will also be given to seniors over the age of 62 or any disabled persons.

- d. Maximum award is noted on the Housing Delivery Goals Charts.
- e. Terms, Recapture and Default. SHIP eligible assistance is provided as a Deferred Payment Loan (DPL). The deferred payment loan is defined as a soft second mortgage with zero percent (0%) interest for twenty (20) years. Such investment shall be secured by a mortgage and promissory note recorded in the County's Official Public Records. Should the property be sold during the first ten years of the second mortgage, or the homeowner should refinance the first mortgage to use equity in home within the first ten years, the full loan will become due and payable. If a person should sell or refinance the home between years eleven (11) to twenty (20), there will be a reduction of 10% per year for each year of ownership between years eleven (11) and twenty (20). There will be no forgiveness period between years one (1) to ten (10). The sale or refinance of the home before 20 years will require repayment of the SHIP loan as program income. The SHIP amount shall be subject to 100% repayment under certain conditions (i.e. fraud, deception, etc). Such conditions shall be set forth in the loan documents.

Subordination: If an applicant wishes to refinance his first mortgage loan for a better interest rate that will make his/her monthly payment easier at a lower interest rate, this can be done if approved by the Affordable Housing Advisory Committee. The applicant is not allowed any cash back.

Should the homeowner become deceased during the term of the mortgage, this recapture reduction shall be tolled upon the death of the homeowner until the property is probated, deeded or otherwise transferred to an individual including an heir related by blood or marriage to the homeowner who qualifies for assistance under the SHIP Housing Assistance Program, and makes successful application for SHIP assistance to assume the mortgage if they qualify to do so under SHIP guidelines. The repayment terms will be the same as the previous paragraph - The loan will become due and payable. If a person should sell or refinance the home between years eleven (11) and years twenty (20), there will be a reduction of 10% per year for each year of ownership between years eleven (11) and years twenty (20). There will be no forgiveness period between year one (1) and year ten (10). If there is no such person, the amount due at the time of the death must be recaptured either through sale or refinance of the said property.

- f. Recipient Selection Criteria: A public notice shall be placed in the local newspaper advising of the availability of the funds. Applicants will be required to be pre-qualified through institutional first mortgage lenders,

through the United States Department of Agriculture Rural Development Rural Housing Service (USDA), Habitat for Humanity or similar programs. Pre-qualified applicants will be taken and processed on a first ready, first served basis (first applicant who has fully completed the pre-screening process). The county staff will be responsible for maintaining an inventory of contacts and housing programs to inform the public about their availability.

All purchase assistance applicants will be required to attend and complete credit counseling and education classes.

- g. Sponsor Selection Criteria: The county staff will be responsible for supporting the Housing Partnership for ongoing activities associated with the SHIP program and for receiving training related to the ongoing progress of the SHIP program. The county staff will disseminate information to the public received from the state and other agencies and, in short, act as the managing implementation agency for the program. The use of outside consultants may be utilized for homebuyer pre-screening, pre-qualification, credit counseling and homebuyer education. The selection of a consultant will utilize the statutory criteria and the County's purchasing policy. If at any time outside consultants are utilized their proposals shall be evaluated using the following criteria:

1. Projects including funding sources other than SHIP sources (10 points)
2. Capacity to Serve the Needs of Local Government Including Background (25 points)
3. Successful Experience with Managing and Implementing SHIP funds (20 points)
4. Key Staff and Qualifications (15 points)
5. Ability to Address the Needs of the Project (10 points)
6. Reputation and Client References (10 points)
7. Certified Minority/Women Owned Business Certification may be by State, Federal County or other Local Government The Federal definition of M/WBE must be met ( 5 points)
8. Proposed Fee Basis ( 5 points)
9. Welfare Transition Program sponsor. N/A

The previous criteria are shown in the required proposal format, not to be deviated from by the county.

**Eligibility:**

- i. SHIP applicants shall not be eligible to reapply for SHIP assistance in the same category if funds were previously awarded to the applicant.
  - ii. SHIP recipients may not receive finance assistance more than twice for the same property.
  - iii. If there is a waiting list, a person on the waiting list who has not had any previous funding will always take precedence over an applicant who has had previous funding.
- h. Additional Information: N/A.

A prospective homeowner receiving down payment assistance may receive a monetary amount from a person in the form of a gift. There will not be a maximum limit on the dollar amount the applicant can receive.

**B. Name of the Strategy: Replacement Housing**

- a. Summary of the Strategy: Provide SHIP Assistance for Replacement Housing candidates. SHIP funds used for this purpose shall be allocated only for activities that are dually eligible under Section 420 of the Florida Statutes. Selection is first ready (date of application and income/asset verifications completed). If costs for rehabilitation of these units exceed the maximum limit of \$35,000 or the property has hidden damage that was identified during a residential inspection by a licensed inspector, then the property will not qualify for rehabilitation and should be replaced. If the cost of a replacement home should exceed \$158,000 but be less than the maximum purchase price for a new or existing home of \$189,682.00 for Flagler County, Board of County Commissioner approval must be obtained. Eligible housing is any real property, including mobile homes, located within the municipality which is designated and intended for the primary purpose of providing decent, safe and sanitary residential units which are designed to meet Chapter 553, F.S. Priority will be given to seniors over the age of 62 or any disabled persons.

Applicants cannot obtain a third lien on the property. The only exception is a second SHIP lien in another category.

- b. Fiscal Years Covered: For Fiscal Years 2010-2011, 2011-2012, and 2012-2013 the County has determined that SHIP funds will be allocated to the Replacement Housing Strategy.
- c. Income Categories to be served: The funds will be used in the construction of replacement housing for very-low and low-income families. This strategy will not be utilized for households above 80% of

the median income.

- d. Maximum award is noted on the Housing Delivery Goals Charts.
- e. Terms, Recapture and Default: SHIP eligible assistance is provided as a Deferred Payment Loan (DPL). The deferred payment loan will be defined as a soft second mortgage with zero percent (0%) interest for thirty (30) years. Such investment shall be secured by a mortgage and promissory note recorded in the County's Official Public Records. Should the property be sold during the first ten years of the second mortgage, or the homeowner should refinance the first mortgage to use equity in home within the first ten years, the full loan will become due and payable. If a person should refinance or sell the home between year eleven (11) and year thirty (30), there will be a reduction of 5% per year for each year of ownership between year eleven (11) and year thirty (30). There will be no forgiveness period between year one (1) and year ten (10). The sale of the home before 30 years will require the repayment of the SHIP loan as program income. The SHIP amount shall be subject to 100% repayment under certain conditions (i.e. fraud, deception, etc). Such conditions shall be set forth in the loan documents.

Subordination: If an applicant wishes to refinance his first mortgage loan for a better interest rate that will make his/her monthly payment easier at a lower interest rate, this can be done if approved by the Affordable Housing Advisory Committee. The applicant is not allowed any cash back.

All Replacement Home applicants will be required to attend and complete a budget counseling and home maintenance class at the commencement of the application process.

Should the homeowner become deceased during the term of the mortgage, this recapture reduction shall be tolled upon the death of the homeowner until the property is probated, deeded or otherwise transferred to an individual including an heir related by blood or marriage to the homeowner who qualifies for assistance under the SHIP Housing Assistance Program, and makes successful application for SHIP assistance to assume the mortgage if they qualify to do so under SHIP guidelines. The repayment terms will be the same as paragraph B (a). The loan will become due and payable. If a person should sell or refinance the home between year eleven (11) and year thirty (30), there will be a reduction of 5% per year for each year of ownership between year eleven (11) and year thirty (30). There will be no forgiveness period between year one (1) and year ten (10). If there is no such person, the amount due at the time of the death must be recaptured either through sale or refinance of the said property.

- f. Recipient Selection Criteria: Selection shall be in accordance with the Flagler County Housing Replacement Guidelines and also in accordance with state SHIP rules, regulations, and HUD standards by family size. The Flagler County Board of County Commissioners adopted the Flagler County Housing Replacement Guidelines on September 2, 1997 with amendments thereafter. These guidelines set forth eligibility requirements such as selection criteria, size of units and associated maximum unit costs. Selection is first ready (date of application and income/asset verifications completed).

Awards are contingent upon income verification and the following criteria:

- i. The home must be located in Flagler County.
- ii. The applicant must be the homeowner and the deed must be in the homeowners name only.
- iii. The applicant must not be delinquent on any real property tax owed to Flagler County.
- iv. Home must have been occupied by the owner/applicant for the past three (3) years and at the time of application.
- v. Home must be covered by homeowners insurance.
- vi. Owner must produce current utility bills for the property at the time of application.
- vii. The homeowner must reside in the home year round as indicated by homestead exemption.
- viii. Replacement unit costs cannot exceed the replacement home amount on the Housing Delivery Goals Chart. This includes demolishing the existing house, and reconstruction of a replacement unit. SHIP Program Eligibility is defined by the SHIP statute and rule. This strategy will also be included in the public notice for SHIP funds.
- ix. The appraised value of the home must not exceed the maximum sales price allowed in the SHIP program as specified under section (3) (a) as defined in the Florida Statutes 420.9075.

If a home is determined to be beyond repair, funds will be used to reconstruct a new home depending upon funding availability. The existing home will be demolished and a new home constructed on the same site.

SHIP contractors demolishing and replacing a home will have to identify from the Green Home Certification checklist which items they are complying.

Mortgage payments on the first mortgage must be current. If applicable.

- g. Sponsor Selection Criteria: N/A

The Flagler County Purchasing Policy guidelines are followed when bidding for services.

**Eligibility:**

- i. SHIP applicants shall not be eligible to reapply for SHIP assistance in the same category if funds were previously awarded to the applicant.
  - ii. SHIP recipients may not receive financial assistance more than twice for the same property.
  - iii. If there is a waiting list, a person on the waiting list who has not had any previous funding will always take precedence over an applicant who has had previous funding.
- h. Additional Information: N/A.

**C. Name of the Strategy: Rehabilitation**

- a. Summary of the Strategy: The Rehabilitation Strategy provides funding for rehabilitation of eligible owner-occupied homes to correct code deficiencies and/or health and safety issues that pose a threat to the safety of the residents. Eligible housing is any real property, including mobile homes, located within the municipality which is designated and intended for the primary purpose of providing decent safe and sanitary residential units which are designed to meet Chapter 553, F.S. Priority will be given to seniors over the age of 62 or any disabled person. All contractors shall be chosen using local purchasing policy procedures. The maximum award under this strategy shall not exceed \$35,000 for major rehabilitation. Flagler County SHIP program will continue to work with the Community Action Agency through the weatherization program whenever possible. The weatherization program provides the homeowner with a free Energy Audit. Repairs shall also be guided by the Florida Green Building Coalition, Green Home Certification checklist, Schedule A, Version 6.00. SHIP contractors working on rehabilitation homes will have to identify from the checklist which items they are complying. If the County determines that a unit needs major rehabilitation, the County may, at its discretion, demolish that unit and construct a replacement unit on the same site, depending upon the availability of funding.

Selection is first ready (date of application and income/asset verifications completed). The order of priority for housing unit funding eligibility is as follows: (1) To correct Health & Safety Issues, (2) To correct Code Violations, (3) Other necessary repairs.

Applicants cannot obtain a third lien on the property. The only exception

is a second SHIP lien in another category.

The strategy provides a zero interest loan for rehabilitation of existing housing units.

- b. Fiscal Years Covered: For Fiscal Years 2010-2011, 2011-2012, and 2012-2013 the County has determined that SHIP funds will be allocated to the Rehabilitation Strategy.
- c. Income Categories to be served: The funds will be used in the rehabilitation of owner occupied housing for very low and low-income families giving priority to very-low income households in order to meet required set-a-sides. This strategy will not be utilized for households above 80% of the median income.
- d. Maximum award is noted on the Housing Delivery Goals Charts:
- e. Terms, Recapture and Default: SHIP eligible assistance is provided as a Deferred Payment Loan (DPL). The deferred payment loan will be defined as a soft second mortgage with zero percent (0%) interest as follows:

If the cost of rehabilitation (including all costs) does not exceed \$10,000.00, the recapture period will be seven (7) years. Such investment shall be secured by a mortgage and promissory note recorded in the County's Official Public Records. There will be no reduction for each year of ownership. Should the property be sold during the life of the second mortgage, or a refinance of the first mortgage to use equity in the home, the full loan will become due and payable.

If the cost of rehabilitation (including all costs) is more than \$10,000.00 but does not exceed \$20,000.00, the recapture period will be ten (10) Such investment shall be secured by a mortgage and promissory note recorded in the County's Official Public Records. There will be no reduction for each year of ownership. Should the property be sold during the life of the second mortgage or a refinance of the first mortgage to use equity in the home, the full loan will become due and payable.

If cost of rehabilitation (including all costs) is more than \$20,000 but does not exceed \$35,000.00, the recapture period will be thirteen years (13). Such investment shall be secured by a mortgage and promissory note recorded in the County's Official Public Records. There will be no reduction for each year of ownership. Should the property be sold during the life of the second mortgage or a refinance of the first mortgage to use equity in the home, the full loan will become due and payable.

The sale of the home before either 7/10/13 years will require repayment of the SHIP loan as program income. The SHIP amount shall be subject to 100% repayment under certain conditions (i.e. fraud, deception, etc). Such conditions shall be set forth in the loan documents.

Mortgage payments on the first mortgage must be current. If applicable.

Subordination: If an applicant wishes to refinance his first mortgage loan for a better interest rate that will make his/her monthly payment easier at a lower interest rate, this can be done if approved by the Affordable Housing Advisory Committee. The applicant is not allowed any cash back.

All Rehabilitation Home applicants will be required to attend and complete a budget counseling and home maintenance class at the commencement of the application process.

Should the homeowner become deceased during the term of the mortgage, this recapture reduction shall be tolled upon the death of the homeowner until the property is probated, deeded or otherwise transferred to an individual including an heir related by blood or marriage to the homeowner who qualifies for assistance under the SHIP Housing Assistance Program, and makes successful application for SHIP assistance to assume the mortgage if they qualify to do so under SHIP guidelines. If there is no such person, the full amount must be recaptured either through sale or refinance of the said property.

- f. Recipient Selection Criteria: Applicant selection criteria for awarding SHIP funds to eligible households will be based on the priority of need with priority given to persons over the age of 62 or disabled persons and very low income households. As funds become available, eligible applicants will be notified. The SHIP Administrator will consider compliance with the LHAP and statutory requirements pertinent to the percentage of households served by income prior to notification. Awards will be contingent upon income verification and the following criteria:
- i. The home to be repaired must be located in Flagler County.
  - ii. The applicant must be the homeowner and the deed must be in the homeowners name only.
  - iii. The home must be covered by homeowners insurance.
  - iv. The applicant must reside in the home year round as indicated by homestead exemption.
  - v. The applicant must not be delinquent on any real property tax owed to Flagler County.
  - vii. The appraised value of the home must not exceed the maximum

sales price allowed in the SHIP program as specified under section (3) (a) as defined in the Florida Statutes 420.9075.

g. Sponsor Selection Criteria: N/A

The Flagler County Purchasing Policy guidelines are followed when bidding for services.

**Eligibility:**

- i. SHIP applicants shall not be eligible to reapply for SHIP assistance in the same category if funds were previously awarded to the applicant.
- ii. SHIP recipients may not receive financial assistance more than twice for the same property.
- iii. If there is a waiting list, a person on the waiting list who has not had any previous funding will always take precedence over an applicant who has had previous funding.

h. Additional Information: N/A

**D. Name of the Strategy: Disaster Repair**

- a. Summary of the Strategy: Flagler County is a coastal county that has in the past been adversely affected by presidentially, state or locally declared natural disasters as declared by Executive Order that were not necessarily associated with hurricanes. Some of the residents affected by these disasters have had limited resources to assist them with recovery in these events. This Disaster Repair strategy is not intended to be limited to hurricane events but to any natural disaster event that is declared as such by a local, state, or federal disaster declaration and providing that SHIP funds are available. The total amount of funds allowed for the contingency strategy will depend upon the amount of funds available. Funds will be used for protecting the occupant's homes from further damage through temporary measures such as tree removal, temporary roof repair, or use of plastic sheeting preceding window replacement. It may also be used for repairing structural and internal damage, roof repair/replacement, demolition costs, and retrofitting activities such as water proofing or elevating the structure in accordance with the National Flood Insurance Program and Chapter 161, Florida Statutes. Funds may also be used for payment of insurance deductibles for rehabilitation of homes covered under homeowner's insurance policies. The amount paid will be either cost of repair or amount of insurance deductible – whichever is the lesser amount up to the maximum amount allowed on the Housing Delivery Goals Chart. The

requirement for homeowners insurance will be waived for the Disaster Repair Strategy. These funds, if available, are intended as a match for other forms of disaster assistance.

- b. Fiscal Years Covered: For Fiscal Years 2010-2011, 2011-2012, and 2012-2013 the County has determined that SHIP funds will be allocated to the Disaster Mitigation/Recovery Contingency Strategy.
- c. Income Categories to be served: SHIP funds will be available to assist eligible families in all income categories between 50 percent and 120 percent of the AMI.
- d. Maximum award is noted on the Housing Delivery Goals Charts.
- e. Terms, Recapture and Default: SHIP assistance will be provided in the form of a grant so individual recipients will not be required to repay funds.
- f. Recipient Selection Criteria: Applicant selection criteria for awarding SHIP funds to eligible households will be based on first come, first ready. (date of application and income/asset verifications completed.
- g. Sponsor Selection Criteria: N/A.

Flagler County SHIP office process applications.

**Eligibility:**

- i. SHIP applicants shall not be eligible to reapply for SHIP assistance in the same category if funds were previously awarded to the applicant.
  - ii. SHIP recipients may not receive financial assistance more than twice for the same property.
  - iii. If there is a waiting list, a person on the waiting list who has not had any previous funding will always take precedence over an applicant who has had previous funding.
- h. Additional Information N/A

**E. Name of the Strategy: Foreclosure Prevention**

- a. Summary of the Strategy: Provide a Foreclosure Prevention program to qualified homeowners to avoid foreclosure and assist them in retaining their home. Funds will be provided as a grant to eligible homeowners to assist with bringing their mortgage payments current prior to the start of the foreclosure process. Eligible expenses include delinquent mortgage

payments (principal, interest, taxes and insurance), attorney's fees, late fees and other customary fees.

- b. Fiscal Years Covered: For Fiscal Years 2010-2011, 2011-2012, and 2012-2013 the County has determined that SHIP funds will be allocated to the Foreclosure Prevention Strategy.
- c. Income Categories to be served: SHIP funds will be available to assist eligible families in all income categories between 50 percent and 120 percent of the AMI.
- d. Maximum award is noted on the Housing Delivery Goals Charts:
- e. Terms, Recapture and Default. Assistance will be provided in the form of a grant so individual recipients will not be required to repay funds used for mortgage foreclosure intervention. Funds are leveraged primarily with the private lending sources.
- f. Recipient Selection Criteria: Funds are made available to anyone who is qualified under the SHIP guidelines limited to one instance per household. Additional criteria are as follows:
  - 1. The applicant must show their ability to continue to maintain their mortgage payments after assistance is given.
  - 2. Foreclosure prevention applicants must show that the nonpayment of their mortgage is due to the following eligible reasons:
    - i. Loss of employment
    - ii. Sudden medical expenses
    - iii. Divorce or separation
    - iv. Death in the family
    - v. Unforeseen home repair bills
    - vi. Underemployed – whereby an applicant's work hours have been reduced.
  - 3. The applicant must undergo credit counseling.
- g. Sponsor Selection Criteria: The County staff will be responsible for supporting the Housing Partnership for ongoing activities associated with the SHIP program and receiving training related to the ongoing progress of the SHIP program. The county staff will disseminate information to the public received from the state and other agencies and, in short, act as the managing implementation agency for the program. The use of outside consultants may be utilized for homebuyer pre-

screening, pre-qualification, credit counseling and homebuyer education. The selection of a consultant will utilize the statutory criteria and the County's purchasing policy. If at any time outside consultants are utilized their proposals shall be evaluated using the following criteria:

1. Projects including funding sources other than SHIP sources (10 points)
2. Capacity to Serve the Needs of Local Government Including Background (25 points)
3. Successful Experience with Managing and Implementing SHIP funds (20 points)
4. Key Staff and Qualifications (15 points)
5. Ability to Address the Needs of the Project (10 points)
6. Reputation and Client References (10 points)
7. Certified Minority/Women Owned Business Certification may be by State, Federal County or Local Government The Federal definition of M/WBE must be met (5 points)
8. Proposed Fee Basis (5 points)
9. Welfare Transition Program sponsor N/A

The criteria are shown in the required proposed format, not to be deviated from by the county.

**Eligibility:**

- i. SHIP Applicants shall not be eligible to reapply for SHIP assistance in the same category if funds were previously awarded to the applicant.
  - ii. SHIP recipients may not receive financial assistance more than twice for the same property.
  - iii. If there is a waiting list, a person on the waiting list who has not had any previous funding will always take precedence over an applicant who has had previous funding.
- h. Additional Information: N/A

### III. LHAP INCENTIVE STRATEGIES

### FLAGLER COUNTY

Section 420.9071(16), F.S.

Approved March 2<sup>nd</sup> 2009 until December 31, 2012

#### A. Name of the Strategy: Expedited Permitting

**The processing of approvals of development orders or permits, as defined in s.163.3164(7) and (8) for affordable housing projects is expedited to a greater degree than other projects.**

In Flagler County, permits for affordable housing projects are expedited to a greater degree than other projects by standard custom and practice. All rehabilitation and replacement home construction projects were processed through the expedited permit strategy. At this time, the County's Housing Element of the Comprehensive Plan does not include any specific policies that pertain to expedited permitting; however, both Policies 1.3 and 1.4 foster the County's current practice to expedite affordable housing permits:

Policy 1.4: Flagler County shall continue to use its Affordable Housing Advisory Board" to assess very low, low and moderate income housing needs and recommend programs that could be instituted to facilitate the implementation of the County's Housing Goals, Objectives and Policies.

Affordable housing projects will be processed in the next available Planning Board or Board of County Commissioners meetings regardless of the application closing date, provided the applications meet the legal notice requirements.

Affordable housing projects will be approved as priority projects. The affordable housing projects will be moved to the front of the agenda at the County Technical-Review Committee and Planning Board meetings. Processing the affordable housing projects at the next available Planning Board or Board of County Commissioner meetings regardless of application closing dates will result in a reduction of five to fifteen days of time. This time reduction will result in measurable savings of project cost and interest.

#### B. The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

Impact fees and utility capacity charges are needed to provide revenue for constructing capacity producing capital improvements necessary to accommodate growth. Overall, this impact fee revenue partially funds construction of major roadways, libraries, schools, parks, correctional facilities, fire/EMS facilities, law enforcement facilities, and public buildings. Because these fees are based on fair share payments by the people benefiting from the capital improvements, impact fees and utility capacity charges cannot be

waived or reduced for any individual group or category of construction. On the other hand, these fees increase the cost of housing and put a burden on the production of affordable housing projects. To lessen the impact on affordable housing projects, the cost of impact fees may be paid by other funding sources.

Flagler County presently has an exemption for low-income housing from educational facilities impact fees (excerpted from the Flagler County Code of Ordinances, Chapter 17-142. Low income housing exemption, (c) Exemptions for low-income housing):

- (1) Dwelling units constructed or mobile homes installed for low- income and very low-income residents shall be exempt from the educational facilities impact fees.
- (2) As a condition of the exemption, the owner must agree to execute and record a lien against the property for a period of ten (10) years guaranteeing that the proposed dwelling unit will continue to be used for low-income and very low-income residents. The lien against the property shall be subject only to the lien for general taxes. In the event that the unit is no longer used for low-income or very low-income housing, then the county can compel the owner to pay the impact fee amount plus interest from which the owner or any prior owner was exempt. The interest rate is the prevailing interest rate applied against the original, exempted educational facilities impact fee amount at the time that the “unit is no longer used for low-income or very low-income housing”. The interest rate would be applied to the principal (the educational facilities impact fee amount) for the number of years (prior to the tolling of the ten (10) year period of the exemption) that the educational facilities impact fee exemption was claimed. The lien shall run with the land and apply to subsequent owners for a period of ten (10) years.
- (3) Any claim for an exemption must be made no later than the time of application for a building permit or a permit for a residential mobile home installation. Any claim not so made shall be deemed waived.
- (4) The county administrator shall be authorized to determine whether a particular dwelling unit falls within the exemption for low-income or very low-income housing pursuant to the provisions of this section. Determinations of the county administrator shall be subject to the appeals procedures set forth in section 17-147 below. (Ord. No. 04-20, § 13, 12-6-04)

Waiving impact fees does not eliminate the cost of the infrastructure that the impact fees are designed to pay for. Either new development or existing

residents must pay the cost of needed infrastructure improvements. If new development, which puts additional demand on county facilities and services, does not pay its fair share of infrastructure cost through impact fees, then existing residents will have to pay those costs through higher fees or taxes.

Flagler County will modify impact fee requirements, including reduction of fees and alternative methods of fee payment for affordable housing from special funding sources.

**B(a) Name of the Strategy: Ongoing Review Process.**

- a. There is an ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Prior to the adoption of new land development regulations, either the Long Range Planning Board or the Planning Board will review new regulations for consistency with the adopted Comprehensive Plan. The Long Range Planning Board and/or the County Housing Task Force will be used to review all policies.

Policy 1.3: Continue to review ordinances, codes, and regulations and the permitting process for the purpose of eliminating excessive requirements, and amending or adding other requirements in order to increase private sector participation in meeting the housing needs, while continuing to ensure the health, welfare and safety of the residents. The health, safety, and general welfare of the County's residents is preserved through the implementation of zoning and land development regulations. As a policy in the County's adopted Comprehensive Plan, Housing Element Policy 1.3 as cited is implemented through the County's Land Development Code. The policy calls for a continuing review of "ordinance, codes, and regulations and the permitting process"; this is being achieved through the work of the Long Range Planning Board and the Affordable Housing Advisory Committee, including other ad hoc committees as may be created by the Board of County Commissioners from time to time to accomplish this task. The County's Evaluation and Appraisal Report (EAR) of the adopted 2010 Comprehensive Plan is anticipated to be adopted by the Board of County Commissioners at their August 3, 2009 regular meeting. The EAR does not propose to make any changes to Housing Element Policy 1.3 and finds that the County is implementing this policy on an ongoing basis.

**C. The allowance of flexibility in densities for affordable housing.**

Within Flagler County, the future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across the board densities do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects. Currently, Housing Element Policy 1.2 and LDC Section 3.03.09.02 provide affordable housing projects up to an estimated 11% density bonus over the maximum density established by the underlying land use designation.

Currently, Housing Element Policy 1.2 and Section 3.03.09.02(D) (2) of the LDC provide for affordable housing density bonuses:

Policy 1.2: Flagler County shall continue to encourage the private sector to provide affordable housing through the use of the Housing Density Bonus System that applies to properties classified R3b Multi-Family which provides a base density of nine units per acre, and an affordable housing density bonus of an additional one unit per acre, provided at least 10 percent of the total project housing units are affordable to low to moderate income families.

The County's Affordable Housing Density Bonus Provisions are codified in Section 3.03.09.02(D) (2) of the LDC:

2. Maximum density – Nine (9) units per acre with an affordable multifamily density bonus of an additional one (1) unit per acre for a total of ten (10) units per acre. The affordable multifamily density bonus is awarded provided the following criteria are met:

a. Definitions:

*Affordable multifamily unit:* A multifamily unit which is available to a household earning one hundred (100) percent or less of the county's median income, adjusted for family size, which can be rented or purchased in the market without spending more than thirty (30) percent of its income.

*Land Use restriction agreement:* A deed restriction which establishes the responsibilities of the developer and his successors.

*Low income household:* A household in the county which earns less than eighty (80) percent of the county's median income, adjusted for

family size.

*Moderate income household:* A household in the county which earns eighty (80) to one hundred (100) percent of the county's median income, adjusted for family size.

- b. At least ten (10) percent of the project's units must be designed as affordable multifamily units for low and moderate income households. A maximum of thirty (30) percent of the project's units may be designated as affordable housing for low income households and a maximum of thirty (30) percent of the project's units may be designated for moderate income households. A minimum of forty (40) percent of the units must remain market rate units.
- c. The maximum percentages listed above for low to moderate income units may not be exceeded for a minimum of a fifteen-year period. To insure compliance with this provision, the property owner shall execute a land use restriction agreement with the county, which specifies the low to moderate income occupancy requirements for the property, including the number of rental units which will be subject to affordability provisions, the rent limits, the income limits proposed, and the affordability period. The land use restriction agreement shall require the developer and his successors to submit an annual report to the county for the purpose of monitoring compliance with the agreement.

The allowance of an up to 11% density bonus for affordable housing projects provides for the development of affordable housing projects with higher densities and/or higher yields. These provisions are appropriate tools for providing density increases for affordable housing projects.

Though not typically used, the inclusion in the LDC of cluster housing provides an additional tool, through an accompanying Planned Unit Development zoning designation, to accomplish higher densities and preserve open space than would otherwise be accomplished through a standard zoning category within the LDC. It is anticipated that other options will be explored as part of the County's Comprehensive Plan update process and the update to the Land Development Code that will follow.

Flagler County will make an allowance of flexibility in densities for affordable housing in the land use planning process, subject to maintaining consistency with the County Comprehensive Plan and Florida Statutes.

#### **D. The reservation of infrastructure capacity for housing for very-low income**

**persons, low-income persons, and moderate-income persons.**

Consistent with state law, the Flagler County Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity available to serve the development. These requirements are contained in Article VIII, Consistency and Concurrency Determination, of the County's LDC. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive plan. In Flagler County, there is only one type of concurrency certificate. The Certificate requires a payment of 25% of the impact fees to reserve the capacity.

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. In Flagler County, there is sufficient capacity in all concurrency-related facilities to accommodate development projects. Therefore, reserving capacity upfront is not a critical issue at this time. To reserve capacity for one project, however, means that the reserved capacity is not available for other projects.

**E. The allowance of affordable accessory residential units in residential zoning districts.**

Through its Land Development Code, Flagler County permits the construction of a guest quarters in the Agriculture zoning district with Special Exception approval by the Planning Board.

The Legislature is proposing additional language within the Statutes to permit a homesteaded parcel to include an accessory unit that may be rented for affordable housing within single-family residential zoning districts. This language, if approved, would preempt local zoning control.

The Committee noted in its review of this requirement that the County could not mandate the amount of rent to be charged. The rental rate, while important for the provision of affordable housing, would be tempered by the owner-occupied principal unit that would maintain neighborhood stability to a greater degree than typically encountered with an absentee landlord or off-site property manager.

Flagler County will make an allowance of affordable accessory residential units in residential zoning districts in the upcoming revisions of the Flagler County Land Development Code, including making provisions for "mother-in-law" or "caretaker family suites." (currently not included in all residential districts in the LDC and consistent with Board of County Commission action on February 1, 2010 amending Chapter 19 of the Flagler County Code). The latter would be in

areas to be located within a single family home while the “affordable accessory residential units” would be a separate unit.

**F. The reduction of parking and setback requirements for affordable housing.**

As structured, the County’s Land Development Code (LDC) establishes minimum setback and lot size requirements for both single family residential zoning districts and multiple family residential zoning districts. These setback requirements provide a standard separation between houses and between houses and roadways. Certain zoning districts found within the LDC have smaller setbacks, some (R-1c and R-1d zoning districts) with zero lot line setbacks on the side property lines. Affordable housing projects could use those specific zoning districts to utilize the side setback requirement. There is also the option to rezone to the PUD zoning district, which gives you the ability to create customized setback and parking requirements.

While rear yard setbacks typically run from 20 feet to 15 feet, the minimum front yard setback on all single family homes from the edge of right-of-way is twenty five (25) feet. This setback distance allows for cars to be parked in the driveway and not block the sidewalk or impede pedestrian movement.

For residential uses, the county requires two parking spaces for each dwelling unit. This requirement is detailed in LDC Section 3.06.04 as follows:

*A. Off-street parking space requirements.*

1. Single and two-family dwellings: Two (2) spaces per dwelling unit.
2. Multi-family dwellings: One and one-half (1.5) spaces per dwelling unit (one bedroom units); one and three-quarters (1.75) spaces per dwelling unit (two-bedroom units); two (2) spaces per dwelling unit (three (3) bedrooms or more).
3. Planned unit development: Shall meet the space requirements of that particular occupancy. (Exception: The parking requirements of non residential uses in a PUD may be approved by the county commission)

To ensure health and safety, all residential development must meet current minimum parking and setback requirements (or received appropriate variances) for the appropriate zoning district as established in the County’s LDC. For example, the County’s 25 foot minimum front yard setback provides enough distance for parking a vehicle in a driveway without the vehicle projecting into the sidewalk. Reducing or eliminating parking requirements will force residents

to park in roadway rights-of-way. This can create safety issues unless minimum mandatory widths are increased.

**G. The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.**

Certain zoning districts are in existence to create smaller lot sizes. Flagler County does have the ability in the Land Development Code for zero lot lines as side yard setbacks in three zoning districts: R-1c, R-1d, and PUD. The PUD zoning district gives a developer the ability to create customized dimensional requirements, along with parking and setback requirements.

Generally, the PUD rezoning and site plan process serve as a mechanism whereby the county can approve projects with reduced setbacks and/or mixed uses. The advantage of using the PUD district instead of traditional zoning is that an applicant can increase or at least maximize his development project's density. In the PUD district, however, there are development required trade-offs, such as additional landscaping, which are required to gain the waivers for smaller lots and higher yield. These trade-offs can have the effect of off-setting any housing unit price reductions due to increasing yield.

Flagler County will consider including new language to expedite permitting through subdivision and site design when the Flagler County Land Development Code is rewritten.

**H. The modification of street requirements for affordable housing.**

As adopted, the county's existing sidewalk and street requirements provide for minimum construction standards to ensure public safety. Section 4.06.02(D) (2) (Subdivision Improvement and Design Standards) of the LDC sets the minimum right-of-way width for a local or residential street at 50 feet. However, minimum lane widths are 11 feet. The following is the county's current minimum right-of-way requirement:

4.06.02 Roads

D. *Minimum Subdivision Road Right-of-Ways Widths.*

1. All subdivision roads shall be provided with sufficient right-of-way or easement width by dedication to contain their entire construction and their appurtenances, including drainage facilities, ditches, slopes, sight distance and traffic control devices.
2. The minimum right-of-way for vehicular travel is fifty (50) feet.

3. Specific right-of-way requirements are defined in the public works manual and are dependent upon the required typical section for anticipated traffic volume.
4. Subdivision roads shall be designed and constructed in accordance with Flagler County Standards and Specifications as contained in its public works manual.

As structured, the County's minimum street right-of-way width requirements are based on the minimum area needed to accommodate the various improvements that must be located in the right-of-way. Besides travel lanes, sidewalks, and drainage facilities, these improvements include water and sewer lines, gas lines, phone lines, cable lines, and others. Since the referenced improvements must be provided for in the road right-of-way, the County has determined that the minimum right of way width must be 50 feet.

At 50 feet, the County's minimum local road right-of-way width requirement is minimal. Consequently, no right-of-way width modification is necessary. County staff feels that the 50-foot minimum right-of-way width is already the minimum relieve that could be considered and still further the combined goals of protecting the health, safety, and general welfare while promoting the provision of affordable housing. In sum, the Statute appears to require that the County address a modification of street requirements and County staff feels that the minimum width already provided for within the County's Code is the minimum that can be considered, hence requiring no modification to the Code specific to reducing right-of-way width to promote the provision of affordable housing.

**I. The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.**

Each year, before the adoption of any new ordinances, local governments are to determine the amount of increase in the cost of affordable housing by adopting any new ordinance or updating an existing ordinance that may impact the provision of housing. Then the local government is to report annually to the State regarding how much the cost of housing had increased through these actions. Before adopting a new ordinance to increase impact fees, the local government is to advise the amount of additional cost of housing within their jurisdiction.

In Flagler County, this is typically accomplished through the staff report for Board consideration and action which accompanies each proposed action item, including ordinance adoption. The consideration of this requirement formalizes what already occurs as part of the staff review for Board of County Commissioner agenda items.

**J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.**

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing.

Beginning in July 2007 then every three (3) years thereafter, Flagler County needs to prepare an inventory list of all real property within its jurisdiction to which the county holds fee simple title and is appropriate for use as affordable housing. The Board through their review of the inventory list and input from staff and the general public found that none of the county-owned properties were appropriate for affordable housing.

Consistent with state law, the Board of County Commissioners reviewed and approved an inventory list of county owned properties. Of all the properties on that list, none were determined to be appropriate for affordable housing. However, the County recognizes and acknowledges that donating county-owned surplus lands to non-profit housing organizations would reduce the cost of affordable housing units on the donated properties and is an appropriate affordable housing tool and will continue to evaluate the inventory of county owned surplus properties for appropriate affordable housing sites.

**K. The support of development near transportation hubs and major employment centers and mixed-use developments.**

In Flagler County, the Future Land Use Map (FLUM) identifies areas appropriate for residential development and the appropriate density for those areas. The objective of the FLUM is to create a land use pattern that situates residential development in close proximity to schools, health care facilities, employment centers, and major roadways.

In Flagler County, the FLUM is an important tool in establishing appropriate locations for residential development. Generally, the map provides for residential development to be located near compatible land uses, existing neighborhoods, and proximate to public transportation, major employment centers, and community services. Ideally, affordable housing projects should be located near employment centers and transportation hubs for additional savings in terms of transportation cost and travel time. For that reason, the county supports locating affordable housing developments near transportation hubs, major employment centers and mixed use developments by expediting the permit process for these types of housing projects.

**A. Name of the Strategy: Expedited Permitting**

**The processing of approvals of development orders or permits, as defined in s.163.3164(7) and (8) for affordable housing projects is expedited to a greater degree than other projects.**

Development Orders and Permits for affordable housing projects will be expedited to a greater degree than other projects by standard custom and practice. All rehabilitation and replacement home construction projects will be processed through the expedited permit strategy. The Community Development Director or designee will shepherd applications through each level of review that are considered an affordable housing project. For the purpose of the expedited permit process, affordable housing projects will be identified as those projects assisted with state or federal housing funds as confirmed by the Flagler County SHIP Administrator.

Specifically, Policy 3.1.1.4 notes that expedited site plan review and permitting should be considered as an action to promote affordable housing.

Expedite development orders and permits for affordable housing projects as described above.

**B. The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.**

Impact fees are one-time charges applied towards new construction to obtain revenues necessary to make capital improvements. Overall, these impact fees increase the cost of housing. Legally, impact fees must be applied to all activities that create a demand for capital facilities. Consequently, impact fees cannot be waived or reduced.

Waiving impact fees does not eliminate the cost of the infrastructure that the impact fees are designed to pay for. Either new development or existing residents must pay the cost of needed infrastructure improvements. If new development, which puts additional demand on county facilities and services, does not pay its fair share of infrastructure cost through impact fees, then existing residents will have to pay those costs through higher fees or taxes. To lessen the impact on affordable housing projects, the cost of impact fees may be paid by other funding sources.

Staff notes that the Educational Facilities Impact Fee Ordinance (adopted Countywide, including the City of Palm Coast) includes an exemption for low-

income housing from educational facilities impact fees, when certain conditions are met.

Changes to fully implement this incentive are not recommended at this time because any reductions to impact fees for affordable housing units would result in higher taxes and housing costs for the rest of the City's residents in order to provide the necessary infrastructure.

**C. The allowance of flexibility in densities for affordable housing.**

The future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across the board densities do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects.

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for flexible densities for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to allow for flexible densities. At the recommendation of the Flagler County Affordable Housing Advisory Committee, staff will draft specific language for consideration during the comprehensive plan update and subsequent update of the Land Development Code to assist affordable/workforce housing developers and staff in reviewing eligibility of projects for affordable/workforce housing density bonuses.

**D. The reservation of infrastructure capacity for housing for very-low income persons, low-income persons, and moderate-income persons.**

Consistent with state law, the City's Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity available to serve the development.

These requirements are also contained in Chapter 7, Concurrency Management System, of the City's ULDC. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive

plan.

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. Like waiving impact fees, allowing reservation of capacities without payment for affordable housing projects is unfair to other development.

Changes to implement this incentive are not recommended at this time, since implementation would result in inequities.

**E. The allowance of affordable accessory residential units in residential zoning districts.**

The City of Palm Coast Unified Land Development Code (ULDC) does not permit the construction of accessory residential units in any residential zoning district.

Changes to implement this incentive are not recommended at this time.

**F. The reduction of parking and setback requirements for affordable housing.**

The City's Unified Land Development Code (ULDC) establishes minimum setback and lot size requirements for both single family residential zoning districts and multiple family residential zoning districts. Each zoning district's setback varies from another; these variations depend on the minimum lot width and minimum lots size for that zoning district. Affordable housing projects should identify those specific zoning districts to identify the most favorable setback requirements for a particular project. Developers of affordable housing also have the option to rezone and utilize the Master Planned Development (MPD) zoning district. This zoning district allows great flexibility in customizing setback and parking requirements.

For residential uses, the City requires two parking spaces for each single-family dwelling, duplex, and townhouse unit. For multifamily dwellings, the ULDC requires the following:

- 1 space per efficiency unit,
- 1.5 spaces per 1 bedroom,
- 2 spaces per 2 bedrooms and over, and
- 1 space per 4 units for guest parking.

Affordable housing developers also have the option of utilizing the Master Planned Development (MPD) zoning district. This zoning district provides flexibility in the required number of minimum parking based on evidence that

other standards would be more reasonable.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to reduce parking and setback requirements.

**G. The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.**

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for an affordable housing developer to provide zero lot line configurations for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Additionally, the ULDC permits townhouse residential development. This type of development allows a developer to construct a minimum of three (3) attached units and a maximum of eight (8) attached units per building.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to allow for flexible lot configurations.

**H. The modification of street requirements for affordable housing.**

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for an affordable housing developer to modify street requirements for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to modify street requirements.

**I. The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.**

Each year, before the adoption of any new ordinances, local governments are to determine the amount of increase in the cost of affordable housing by adopting any new ordinance or updating an existing ordinance that may impact the provision of housing. Then the local government is to report annually to the State regarding how much the cost of housing had increased through these actions. Before adopting a new ordinance to increase impact fees, the local government is to advise the amount of additional cost of housing within their jurisdiction.

Before the adoption of any new regulations or policies, the City will determine the impacts of adopting such ordinance on the cost of housing. When applicable, staff will include an analysis of the impact of any policy, procedure, ordinance, regulation, or plan provision upon the cost of housing in the City.

Consider costs to housing when the City considers policies, procedures, ordinance, regulations, or plan provisions as described above.

**J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.**

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing. The City of Palm Coast will compile a list of all real property within its jurisdiction to which the city holds fee simple title and is appropriate for use as affordable housing.

Prepare an inventory of all city-owned property for analysis and determination of its appropriateness for affordable housing.

**K. The support of development near transportation hubs and major employment centers and mixed-use developments.**

The City of Palm Coast does not have any identifiable transportation hub. However, the City's Comprehensive Plan and Future Land Use Map (FLUM) identify areas appropriate for mixed use development and appropriate for Village Center development. These village center areas are appropriate for developments with higher densities and intensities.

The purpose of the Mixed Use development designation is to provide opportunities for residents to work, shop, engage in recreational activities, attend school and religious services in reasonably close proximity to residential dwellings. Typically, affordable housing projects should be located strategically within proximity of services and employment opportunities. Development of affordable housing as part of a mixed use project or within proximity of available services and employment opportunities is encouraged and promoted by the comprehensive plan.

No changes recommended at this time.

**IV. EXHIBITS:**

- A. Administrative Budget for each fiscal year covered in the Plan. Exhibit A.**
- B. Timeline for Encumbrance and Expenditure:** *Chapter 67-37.005(6)(d) and (f) F.A.C.*  
A separate timeline for each fiscal year covered in this plan is attached as **B.** Program funds will be encumbered by June 30 one year following the end of the applicable state fiscal year. Program funds will be fully expended within 24 months of the end of the applicable State fiscal year.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan:** *Chapter 67-37.005), F.A.C.*  
Completed HDGC for each fiscal year is attached as **Exhibit C.**
- D. Certification Page:** *Chapter 67-37.005(7), F.A.C.*  
Signed Certification is attached as **Exhibit D.**
- E. Adopting Resolution:** *Section 420.9072(2)(b)2, F.S.*  
Original signed, dated, witnessed or attested adopting resolution is attached as  
**Exhibit E.**
- F. Program Information Sheet:**  
Completed program information sheet is attached as **Exhibit F.**
- H. Interlocal Agreement:**  
Attached as **Exhibit H**