

FRANKLIN COUNTY, FLORIDA

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

FISCAL YEARS COVERED

2010-2011

2011-2012

2012-2013

PREPARED BY:

FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS

HOUSING BOARD MEMBERS:

DR. JOHN SINK, CHAIR

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CLIFF BUTLER

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SHIP PROGRAM ADMINISTRATOR

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I. PROGRAM DESCRIPTION:

A. Name of the participating local government and Interlocal if Applicable:

Franklin County, Florida

Interlocal: Yes _____ No X

B. Purpose of the program:

Creation of the Plan is for the purpose of meeting the housing needs of the very low, low and moderate income households through new home construction, rehabilitation, emergency and down payment/closing costs assistance; to expand production of and preserve affordable housing; and to further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan:

The Local Housing Assistance Plan (the Plan) covers fiscal years 2010/2011, 2011/2012 and 2012/2013.

D. Governance:

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37 Florida Administrative Code.

The SHIP Program does further the housing element of the local government Comprehensive Plan.

The Administrator will review and approve applications for the Program. Any problems or concerns of the Administrator will be brought to the Franklin County Housing Board. The Franklin County Housing Board will assist the Administrator when necessary.

Applicant complaints will go through a grievance process. Applicant complaints must be in writing. Upon receipt, the SHIP Administrator will review for completeness and accuracy. Applicant complaints will then be forwarded for review and disposition by the Franklin County Housing Board, appointed by the Franklin County Board of County Commissioners to oversee the administration of the County's SHIP Program.

E. Local Housing Partnership:

Franklin County is limited in the number of organizations that provide support, but the Program is working to create partnerships, currently we have these agencies support:

Florida Housing Finance Corporation
Florida Housing Coalition
Franklin County Building and Planning Department
Legal Services of North Florida
USDA /Rural Development
Community Action Agency
Habitat for Humanity of Franklin County, Florida
Franklin County Community Development & Land Trust Corporation

The Franklin County Board of County Commissioners (FCBCC) is working to further strengthen ties with the above organizations. In addition, the FCBCC will be looking to partner with other local, state and federal programs to begin to leverage SHIP funds.

F. Leveraging:

The Program is currently working with the Habitat for Humanity Franklin County Chapter. This local chapter of Habitat for Humanity has a goal of 1 house per year.

Additionally, The SHIP Program is working with the newly formed Franklin County Community Development & Land Trust Corporation whose goal is affordable housing.

The program also works with USDA Rural Development. Rural Development has partnered with SHIP to combine programmatic money to stretch each programs assistance. Rural Development also gives a first mortgage at below market rate to first time home buyers whereby SHIP provides down payment assistance .

G. Public Input:

Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan.

H. Advertising and Outreach:

FCBCC will advertise funds if available in an area newspaper with general circulation.

Franklin County will advertise, if funds are available, to Sponsor Organizations at least 30 days prior to beginning any application period

I. Discrimination:

FCBCC, its staff or agents, shall not discriminate on the basis of race, creed, religion, color, age, sex, familial or marital status, national origin, or handicap in the selection of recipients of contracts or assistance under the SHIP Program.

J. Support Services and Counseling:

Available support services may include but are not limited to:

- Home Buyer Counseling
- Credit Counseling

K. 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, which 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 by Franklin County is:

U.S. Department of Treasury

The purchase price limit for:

New homes: \$175,000

Existing homes: \$175,000

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.

Income limits are based upon total household income, adjusted for family size, as published by the Department of Housing and Urban Development and updated annually by the Florida Housing Finance Corporation. Very-low income is defined as total household income that does not exceed 50% of area median, low-income is defined as total household income above 50% of median not to exceed 80% of median and moderate income is defined as total household income above 80% area median and not exceeding 120% of median income.

Monthly housing debt, principal plus interest including taxes and insurance should not exceed 30% of total monthly household income, unless the first mortgage lender

approves a higher monthly housing debt-to-monthly income ratio.

M. Welfare Transition Program:

Should a eligible sponsor be used, the city/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 which ever is longer unless as 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. Subordination Policy:

The policy of the County is not to subordinate except for refinancing to lower interest rate on first mortgage if applicant is receiving no cash back.

P. Administrative Budget:

In accordance with FS 120.52(17) the specific percentage of funds used for administration of the SHIP Program is 10% of the Annual Distribution. A detailed listing including a 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.

Franklin 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.

Q. Program Administration:

The local housing assistance plan is the responsibility of a contracted employee selected by the Franklin County Board of County Commissioners. Duties and responsibilities are outlined in Attachment G.

R. Essential Service Personnel:

Essential Services Personnel is defined as persons in need of affordable housing who are employed in occupations or professions such as teacher and educators, other school employees, police and fire personnel, health care personnel and skilled building trades personnel or any working person below 120% of the Area Medium Income.

S. New Green Initiative Section 420.9075(3)(d), F.S.

The County's New Home Construction, Emergency Repair and Rehabilitation strategies exceed applicable building codes by going a step further to reduce costs of maintenance, utilities and insurance by using low maintenance materials like galvalume metal roofs instead of shingles, low maintenance vinyl siding, low maintenance vinyl double windows, installing quality insulation ensuring underpinning if needed, using 13 SER HVAC systems and as much compact fluorescent lighting as possible. A new green building contractor has also been added to the list of contractors to bid on projects.

Section II. LHAP HOUSING STRATEGIES:

A. Down Payment/Closing Cost Assistance

- a. **Summary of the Strategy:** The down payment/closing costs assistance strategy assists first time home buyers by paying a portion of their down payment and closing costs. The Program also provides second mortgages to eligible applicants to purchase newly constructed and/or existing single family homes or condominiums.
- b. **Fiscal Years Covered:** The down payment/closing costs strategy will be funded for the State Fiscal Years 2010-2013.
- c. **Income Categories to be served:** Provides assistance to assist households with incomes less than 120% of the area median.
- d. **Maximum Award:** As noted on the Housing Delivery Goals Chart, **Exhibit C**, down payment/closing costs assistance shall not exceed \$10,000 for Moderate Income Applicants, \$12,500 for Low Income Applicants and

\$15,000 for Very Low Income Applicants.

- e. **Terms, Recapture and Default:** Assistance will be in the form of a loan secured by a five year deferred payment loan agreement.(DPL). The DPL will be provided at zero (0%) percent interest. Payment of the principal amount will be required only if the property is sold or not owner occupied for any period longer than three months at any given time within the five year period. At the end of the fifth year, the entire balance will be forgiven and the DPL Agreement satisfied. Surety of the loan will be guaranteed by the holding of a mortgage and promissory note on the property for the five year period. The principal of the loan will be reduced by 20% for each year the residency requirement is met. In the event the homeowner dies before the term of the loan expires, the FCBCC reserves the right to grant the transfer of the DPL to the surviving members of the immediate family upon completion of probate if the new owner(s) meet the income requirements of the program and the new owner(s) plan to make the house his/her/their primary residence for the balance of the DPL and his/her total household income is within the income guidelines that were originally used to award the DPL.
- f. **Recipient Selection Criteria:** All applicants must be a first time home buyer. A first time homebuyer is defined as not having owned a home during the past three years. However, someone who has lost the home as a result of a divorce within the last 3 years meets the first time home buyer definition. The applicant must have an accepted contract for a home and have applied for a first mortgage with a qualified lender. The home to be purchased must be located in Franklin County. The purchase price of the home must not exceed the maximum allowed sales price in the SHIP Program. Applicant must contribute a minimum of \$500 (excluding pre-pays) towards the purchase of the home and must have \$500 in a bank account at the time of the loan. The applicant must reside in the home being assisted within 60 days after closing. Applicant must not have received assistance from SHIP within the past 5 years prior to applying for assistance unless the assistance was for a Disaster Grant.
- g. **Sponsor Selection Criteria: N/A**
- h. **Additional Information:** There will be no waiting list maintained for this program. The availability of funds for each Fiscal Year will be advertised in the local newspaper for 30 days prior to expending the funds. When the funds are expended, all remaining applications will be closed. Upon receiving additional funds applicants will have the opportunity to reapply. When the program is taking applications; applicants will be served on first come first ready basis if they meet the selection criteria.

B. Owner/Occupied Rehabilitation Assistance

- a. **Summary of the Strategy:** The owner/occupied rehabilitation program provides loans for owner/occupied home renovation. Rehabilitation repairs may include but are not limited to the structure of the home, roof, electrical, plumbing and HVAC.
- b. **Fiscal Years Covered:** The owner/occupied rehabilitation assistance strategy will be funded for the State Fiscal Years 2010-2013.
- c. **Income Categories to be served:** Assistance will be provided to households with incomes below 80% of area median.
- d. **Maximum Award:** As noted in the Housing Delivery Goals Chart, **Exhibit C**, the maximum award amount is up to \$25,000.
- e. **Terms, Recapture and Default:** Assistance will be in the form of a loan secured by a five year deferred payment loan agreement (DPL). The DPL will be provided at zero (0%) percent interest. Payment of the principal amount will be required only if the property is sold or not owner occupied for any period longer than three months within the five year period. At the end of the fifth year, the entire balance will be forgiven and the DPL Agreement satisfied. The principal of the loan will be reduced by 20% for each year the residency requirement is met. Surety of the loan will be guaranteed by the holding of a mortgage and promissory note on the property for the five year period. . In the event the homeowner dies before the term of the loan expires, the FCBCC reserves the right to grant the transfer of the DPL to the surviving members of the immediate family upon completion of probate if the new owner(s) meet the income requirements of the program and the new owner(s) plan to make the house his/her/their primary residence for the balance of the DPL and his/her total household income is within the income guidelines that were originally used to award the DPL.
- f. **Recipient Selection Criteria:** The home to be renovated must be located in Franklin County. The appraised value of the home may not exceed the maximum sales price allowed in the SHIP Program, which is \$175,000. The applicant may not be delinquent on any debt owed to Franklin County. Applicant must not have received assistance from SHIP within the 5 years prior to applying for assistance unless the assistance was for a Disaster Grant.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Due to the large number of applicants on the waiting list whose requests far exceed the availability of current LHAP budgeted funds, SHIP intake activities may be temporarily suspended. When

the program is taking new applications; applicants will be served on first come first served basis if they meet the selection criteria.

C. Emergency Assistance

- a. **Summary:** The emergency assistance program assists homeowners by providing funds to make necessary emergency repairs to their homes. The SHIP Program inspector will determine whether emergency repair is needed. Repairs may include but are not limited to the structure of the home, roof, electrical, plumbing and HVAC.
- b. **Fiscal Years Covered:** Emergency program will be funded for the State Fiscal Years 2010-2013.
- c. **Income Categories to be served:** Assistance will be provided to households with incomes less than 80% of the area median.
- d. **Maximum Award:** As noted on the Housing Delivery Goals Chart, Exhibit C, emergency assistance shall not exceed \$10,000.
- e. **Terms, Recapture and Default:** Assistance provided at less than \$3,000 will be in the form of a grant. Assistance over \$3,000 but less than \$10,000 will be in the form of a loan secured by a five-year deferred payment loan agreement (DPL). The DPL will be provided at zero (0%) percent interest. Payment of the principal amount will only be required if the property is sold or not owner occupied for any period longer than three months within the five year period. At the end of the fifth year, the entire balance will be forgiven and the DPL Agreement satisfied. The principal of the loan will be reduced by 20% for each year the residency requirement is met. Surety of the loan will be guaranteed by the holding of a mortgage and promissory note on the property for the five year period. . In the event the homeowner dies before the term of the loan expires, the FCBCC reserves the right to grant the transfer of the DPL to the surviving members of the immediate family upon completion of probate if the new owner(s) meet the income requirements of the program and the new owner(s) plan to make the house his/her/their primary residence for the balance of the DPL and his/her total household income is within the income guidelines that were originally used to award the DPL.
- f. **Recipient Selection Criteria:** The home to receive assistance must be located in Franklin County. Applicant must have an extreme and immediate need for repairs. Applicant must not be delinquent on any debt owed to Franklin County. Applicant must not have received assistance from SHIP within the five years prior to applying for assistance unless the assistance was for a Disaster Grant.

- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Due to the large number of applicants on the waiting list whose requests far exceed the availability of current LHAP budgeted funds, SHIP intake activities may be temporarily suspended. When the program is taking new applications; applicants will be served on a first come first served basis if they meet the selection criteria.

D. Disaster Recovery Grants

- a. **Summary:** The Disaster Recovery strategy will be implemented only in the event of a natural disaster or an emergency as declared by County, State or Federal Executive order. SHIP funds may be used to provide emergency repairs to very low and low income households in the aftermath of a natural disaster to address emergency housing repair needs. This may include, but is not limited to the removal of tree and debris needed to make home habitable, repairs to prevent further damage and weatherproofing damaged homes.
- b. **Fiscal Years:** The Disaster Recovery Strategy will be funded for the State Fiscal Years 2010-2013.
- c. **Income categories:** Assistance will be provided to households with incomes below 120% of area median.
- d. **Maximum Award:** As noted on the Housing Delivery Goals Chart, Exhibit C, emergency assistance shall not exceed \$5,000.
- e. **Terms:** Assistance provided will be in the form of a grant.
- f. **Recipient Selection criteria:** The home to receive assistance must be located in Franklin County. Applicant must own the home and have damage directly caused from the disaster as certified by the Franklin County Emergency Management Director. Applicant must have no homeowners insurance.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Applicants will be served on a first come, first ready basis if they meet the selection criteria.

E. New Home Construction Assistance

- a. **Summary:** The New Home Construction Assistance Strategy assists Franklin County residents wishing to construct a home. The home shall be built with all contractor-grade materials and meeting all state and local building requirements. Applicant will pick from a selection of house plans provided

for by the SHIP Program.

- b. **Fiscal Years Covered:** Assistance will be funded for Fiscal Years 2010-2013 as funding becomes available.
- c. **Income Categories:** Assistance will be provided to households with income below 120% of the Area Median Income.
- d. **Maximum Loan Amount:** New Home Construction Assistance shall not exceed \$100,000.
- e. **Terms, Recapture and Default:**
 1. **Terms, Recapture:** Assistance will be provided in the form of a loan. The loan terms will insure the monthly payments with interest rate of 1% are no greater than 30 percent of applicant's income. Total P.I.T.I. (Payment, Interest, Taxes & Insurance) to income shall not exceed 30%. The loan payment is anticipated to be up to 30 years. Surety of the loan will be guaranteed by the holding of a recorded mortgage and promissory note on the property.
 2. **Default:** In the case of default, the entire loan balance shall become due and payable. Failure to pay the loan balance when due will lead to foreclosure and loss of property ownership. In the event of death of the original applicant before the loan conditions are met, the Housing Board may consider an application made by or on the behalf of an eligible heir.
- f. **Recipient Application Criteria:**
 - All persons wishing to apply must submit an official application complete in all respects. Application may be obtained from the Franklin County SHIP Program office located at 78-11th Street, Apalachicola, FL 32320.
 - The applicant must have Legal ownership to land or have an agreement with the Franklin County Community Development & Land Trust Corporation (FCCDLTC) for land ready for construction in Franklin County;
 - There must be a current survey providing the property's legal description and elevation certificate, if needed;
 - If available, the property must have sewer and water hook ups paid for by the homeowner. If unavailable, applicant must provide evidence of alternative sewage treatment and water source.
 - If there is an existing structure on the property that needs to be removed this is an eligible expense as long as the additional cost incurred does not exceed the maximum loan amount.

g. Additional Applicant Information:

- Fire and Homeownership Insurance will be required and the structure shall be insured to value. The initial annual insurance premium will be an eligible loan closing expense.
- Property taxes must be current. Applications shall not be approved for funding if there are delinquent property taxes outstanding.
- The value of the dwelling after construction may not exceed the State Housing Initiatives Partnership (SHIP) Program maximum allowable purchase price limit which is currently \$175,000.
- An eligible applicant or property may not have received assistance from the SHIP Program within the five years prior to a current application for assistance.
- In order to assure house is being maintained, applicant must agree to periodic property structural and quality inspections.
- The applicant must complete homeownership counseling at their cost prior to closing.
- Preference will be given to qualified contractors that have previously worked with the SHIP Program.

h. Selection Criteria:

All income eligible, credit worthy applicants, after having completed and agreed to the above terms of the loan, will be selected as indicated below. The Franklin County Housing Board will give preference to:

1. Applicants who are not owners of a permanent residence. Mobile home owners may apply for removal and construction of a home that meets the definition of Chapter 553;
2. Applicants who currently occupy a principal residence not suitable for rehabilitation as determined by the SHIP Program Housing Inspector;
3. Applicants who are elderly, disabled or can demonstrate a documented economic, health, or public safety need.
4. Applicants with the lowest income.

III. LHAP INCENTIVE STRATEGIES

In addition to Strategy A and Strategy B, include all adopted incentives with the policies and procedures used daily for implementation as provided in Section 420.9076, F.S.:

A. Expedited Permitting

In the event there are more than three building permit applications pending with the Franklin County Building Department the following guidelines will be followed. The Building Permit Official will review any applications from the SHIP Program before reviewing other applications for permits.

At this time, Franklin County has not needed to implement any of the above steps. Most permits are issued within twenty-four hours following submission of the application. The SHIP Administrator and the County does not anticipate any large surge of development in the near future that would have an impact on the issuance of building permits.

B. Ongoing Review Process

An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Established policy and procedures:

In the event ordinances are passed that would effect housing costs within the County, the County staff will develop a report on the projected impact. This report would be submitted to the Board of County Commissioners and contain an offer of how to reconcile the new requirements within the Program.

At this time, the County has not passed any procedures, ordinances, policies or regulations which impact the cost of housing. Franklin County is a small county and rarely is housing an issue addressed by the County Commission other than by the adoption of the Local Housing Assistance Plan.

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, F.A.C.*
A separate timeline for each fiscal year covered in this plan is attached as **Exhibit 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:
Completed HDGC for each fiscal year is attached as **Exhibit C(1), C(2) & C(3).**
- D. Certification Page:
Signed Certification is attached as **Exhibit D.**
- E. Adopting Resolution:
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.**
- F. Memorandum of Understanding:
Program Administration Duties & responsibilities are attached as **Exhibit G.**

EXHIBIT A
ADMINISTRATIVE BUDGET

2010-2011

Administrator Salary	\$25,650.00
Supplies and Equipment	\$1,000.00
Mileage/Training	\$1,000.00
Advertising	\$250.00
Office Rent	\$1,800.00
Telephones/Internet	\$1,800.00
County Audits	\$3,500.00
Total	\$35,000.00

2011-2012

Administrator Salary	\$25,650.00
Supplies and Equipment	\$1,000.00
Mileage/Training	\$1,000.00
Advertising	\$250.00
Office Rent	\$1,800.00
Telephone	\$1,800.00
County Audits	\$3,500.00
Total	\$35,000.00

2012-2013

Administrator Salary	\$25,650.00
Supplies and Equipment	\$1,000.00
Mileage/Training	\$1,000.00
Advertising	\$250.00
Office Rent	\$1,800.00
Telephone	\$1,800.00
County Audits	\$3,500.00
Total	\$35,000.00