



**SANTA ROSA COUNTY**

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

**FISCAL YEARS COVERED**

**2010**

**2011**

**2012**

**BOCC Agenda: April 22, 2010**

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Section I. **PROGRAM DESCRIPTION:**

A. Name of the participating local government:

**SANTA ROSA COUNTY**

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, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan:

2010  
2011  
2012

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. Cities and counties must be in compliance with these applicable statutes and rules.

E. Local Housing Partnership:

SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

F. Leveraging:

The Plan is 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 the Notice of Funding Availability.

H. Advertising and Outreach:

The county shall advertise the notice of funding availability in a newspaper of general circulation and periodicals serving the 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.

I. Discrimination:

In accordance with the provisions of SS.760.20-760.37, it is 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 for various sources. Support services include homeownership counseling (pre and post), credit counseling, tenant counseling, transitional housing and legal aid services.

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 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 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 F.S. However, it is not the intent to limit an individual household's ability to devote more than 30% of its income. If there are reasonable compensating factors to demonstrate that a higher percentage is not likely to create a hardship and 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, the cost does not exceed those rental limits adjusted for bedroom size, the household may devote more than 30% to housing expense.

A higher ratio of monthly mortgage payment (PITI) up to 39% may be considered if two or more of the following compensating factors apply:

- Demonstrated ability to budget and save on a consistent basis with an average of six (6) month savings of twice the PITI on the proposed loan.
- History of steady employment for more than two years in the same line of work or having completed college or specialized training in the field currently employed with a good probability of continued employment verified by the current employer.
- Credit score above 650.
- Demonstrated ability to pay monthly rent on-time at a comparable amount to the proposed PITI on the new loan preventing payment shock.

If an application is approved with a front-end ratio above 30%, the applicant will be required to sign an affidavit to signify that they are aware that the payment ratio exceeds the recommended program guidelines and that they are financially capable to meet the monthly mortgage requirements. If reasonable compensating factors as described above are not present, applicants with mortgage payment ratios in excess of 30% may not receive program funding. Applications with PITI to income ratios of 40% and higher will not be approved.

M. Welfare Transition Program:

Should an eligible sponsor be used, Santa Rosa 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 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 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. 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.

Santa Rosa 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.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states:

“A county or an 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 to adequately pay the necessary costs of administering the local housing assistance plan.”

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states:

“The cost of administering the program may not exceed 10 percent of the local housing distribution, plus 5 percent 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.”

Santa Rosa County has adopted the above findings in the attached resolution, Exhibit E.

P. Program Administration:

Administration of the local housing assistance plan is the responsibility of Santa Rosa County under the direction of the county housing staff under the Community Planning, Zoning & Development Department. Should a third party entity or consultant be contracted for other program functions, the duties, qualifications and selection criteria shall be fully described and affirmed in the respective project file.

- Q. Essential Service Personnel:  
Required definition of Essential Services Personnel as noted in Rule Chapter 67-37.002(8) F.A.C., Chapter 67-37.005(10), F.A.C. and Section 420.9075(3), F.S.

"Essential Services Personnel" means persons whose household incomes do not exceed 140% of AMI for the CWHIP Program, and 120% of AMI for the purposes of SHIP as defined in the SHIP Rule 67-37 as determined annually by the Florida Housing Finance Corporation and adjusted for family size, and shall include persons in need of affordable housing who meet all of the following requirements:

Permanently employed by a company or organization located within Santa Rosa County, the City of Milton, the City of Jay, or the City of Gulf Breeze, all lying within Santa Rosa County, Florida in one of the following categories:

- (a) Local or state law enforcement, fire, rescue, and emergency services, public safety and emergency management
- (b) Teachers, educators, and school district personnel in the public, private and university systems
- (c) Health care professionals and support personnel
- (d) Tourism industry professionals and employees
- (e) Judicial/Court system management and support personnel
- (f) Service industry personnel, including child care, hospitality, and food service

- R. Innovative Design, Green Building Principle  
Section 420.9075(3)(d), F.S. requires counties and eligible municipalities to describe initiatives in their local housing assistance plans that encourage or require innovative design, green building principles, storm resistant construction or other elements that reduce long term costs relating to maintenance, utilities or insurance.

Santa Rosa County new construction, rehabilitation or emergency repair specifications require that all appliances purchased and installed must have an *Energy Star* rating.

Section II. **LHAP HOUSING STRATEGIES:**

**A. STRATEGY: Owner Occupied Rehabilitation**

- a. Summary of the Strategy:  
Funds will be provided for repairs and rehabilitation of sub-standard owner-occupied single-family units. The work will address repairs or improvements that are needed for safe or sanitary habitation and correction of substantial building code violations in accordance with the *Housing Program Rehabilitation Manual*.
- b. Fiscal Years Covered:  
2010  
2011  
2012
- c. Income Categories to be served:  
Strategy provides assistance to families with incomes of 80% or less of the area median income.
- d. Maximum award is noted on the Housing Delivery Goals Charts: **\$25,000**. Awards will be made on a first qualified, first served basis. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.
- e. Terms, Recapture and Default:  
Applicants, who are 62 years old or older, or handicapped/disabled and very low income will receive assistance in the form of a Deferred Payment Loan (DPL), zero percent (0%) interest with no monthly payments, secured by a recorded mortgage that is forgiven at a rate of 20% per year over a five (5) year period. At the end of five (5) years, the loan is forgiven.

Other applicants will receive assistance in the form of a Deferred Payment Loan secured by a mortgage. The loan is provided at zero percent (0%) interest with no monthly payments and a term of 10 years. At the end of ten (10) years, the loan will be forgiven.

Repayment of the loan is required in full when any of the following conditions occur:

- Sale. If the property is sold, the loan must be repaid.
- Occupancy. If the homeowner no longer resides in the home the loan must be repaid.
- Title Transfer. If the title is transferred, the loan must be repaid. An exception is allowed if a transfer is made to an

income- eligible heir who is going to make the house their primary residence. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non- income eligible heir, the loan must be repaid in full.

- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination may be submitted for consideration.

f. Recipient Selection Criteria:

The household must provide proof of property ownership. (Life estates are recognized as proof of ownership.) An extensive waiting list exists under this strategy. Awards will be made from applicants on the waiting list on a first qualified, first served basis. Outstanding mortgages, and real estate taxes must be current and the owner must have homestead exemption.

g. Sponsor Selection Criteria: This strategy will be implemented directly by Santa Rosa County staff.

h. Additional Information:

- Asset limitation. Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook *Asset* Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
- Funding limitation: An applicant assisted under this strategy is ineligible to receive additional funding for substantial repair during an outstanding 5-year or 10-year lien period. A homeowner is eligible to reapply for further assistance after the current/existing lien period has expired.
- Mobile homes are not eligible for assistance.
- Rehabilitation specifications require that all appliances purchased and installed must have an *Energy Star* rating.

**B. STRATEGY: EMERGENCY REPAIR**

a. Summary of the Strategy:

Funds will be used to provide emergency repair assistance in the form of a deferred payment loan (DPL) for very-low and low income homeowners. Funds will be used to address roofing, electrical, plumbing, sanitary disposal, life/safety conditions, structural code deficiencies and other related repairs.

b. Fiscal Years Covered:

2010  
2011  
2012

- c. **Income Categories to be served:**  
Funds will assist applicants with very-low and low incomes.
- d. **Maximum award is noted on the Housing Delivery Goals Charts: \$10,000.** Awards will be made on a first qualified, first served basis. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.
- e. **Terms, Recapture and Default:**  
Direct depreciable loan will be made to a qualified homeowner, secured by a recorded mortgage that is forgivable at a rate of 20% per year over a five (5) year period. At the end of five (5) years the loan will be forgiven. The un-depreciated portion of the lien must be repaid when any of the following conditions occur:
- **Sale.** If the property is sold, the loan must be repaid.
  - **Occupancy.** If the homeowner no longer resides in the home, the loan must be repaid.
  - **Title Transfer.** If the title is transferred, the loan must be repaid. An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the loan must be repaid in full.
  - **Refinance to Access Equity.** If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination of the lien may be submitted for consideration.
- f. **Recipient Selection Criteria:**  
The applicant must provide proof of property ownership. If applicable, the applicant must provide a copy of a Life Estate Deed showing entitlement, (life estates are recognized as proof of ownership.) Outstanding mortgages, and real estate taxes must be current and the owner must have homestead exemption.
- g. **Sponsor Selection Criteria:**  
The sponsor/sub-recipient RFP process will only be used if the county elects to solicit a third party agent to administer the emergency repair strategy. Should the county elect to use a third party, the selection of a sub-recipient will be based upon responses to an advertised request for proposal (RFP). Selection criteria will include:
- Past experience of agency in managing emergency housing repair assistance activities;
  - Projected SHIP cost per housing unit;
  - Commitment of non-SHIP funds as leverage for SHIP

dollars;

- Unit production goals for housing repair in relation to SHIP funds requested; and,
- Commitment to limit assistance to very low income households.

Proposals meeting the RFP requirements will be evaluated by the Affordable Housing Advisory Committee to determine the agency or organization that will implement the strategy. Final selection and contract approval will be at the discretion of the Board of County Commissioners. The RFP may solicit participation for the full three year LHAP period.

- h. Additional Information:
  - a. Asset limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook *Asset* Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
  - b. Mobile homes are not eligible for assistance.
  - c. Emergency repair specifications require that all appliances purchased and installed must have an *Energy Star* rating.

**C. STRATEGY: FIRST TIME HOMEBUYER (DOWN PAYMENT/CLOSING COST AND PRINCIPAL MORTGAGE REDUCTION ASSISTANCE)**

- a. Summary of the Strategy:

Funding will be provided to assist potential homebuyers with reducing the cost of purchasing a home. Eligible costs include down payment, principal mortgage reduction, first and second mortgage recording fees, intangible tax, appraisal fee, credit report fee, origination fee or service fee charged by the lender or closing agent, charges for title search and title insurance, the first year premium of hazard insurance, inspection fees and survey fees. Homes purchased through this strategy must meet the definition of "eligible housing" as defined in the SHIP Rule. Eligible units may be newly constructed or existing units which have had or will have repairs (minimum of \$100) within 12 months of closing. Evidence of repairs must be adequately documented. Escrows for future payments of real estate taxes, hazard insurance premiums or other required escrowed items are not eligible to be paid with SHIP funds.
- b. Fiscal Years Covered:
  - 2010
  - 2011
  - 2012
- c. Income Categories to be served:

Households with annual income up to 120% of area median income are eligible for assistance based upon the following limits:

- Very low income household: Maximum \$15,000
- Low income household: Maximum \$10,000
- Moderate income household: Maximum \$7,500

Maximum award is noted on the Housing Delivery Goals Chart.

d. Terms, Recapture and Default:

Funds must be secured by 15 year; zero percent (0%) interest, deferred payment mortgage that is forgivable at the end of fifteen (15) years. The loan must be repaid when any of the following conditions occur:

- Sale. If the property is sold, the loan must be repaid.
- Occupancy. If the homeowner no longer resides in the home, the loan must be repaid.
- Title Transfer. If the title is transferred, the loan must be repaid. An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the loan must be repaid in full.
- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination of the lien may be submitted for consideration.

e. Recipient Selection Criteria:

Assistance will be provided on a first ready, first served basis. First ready is defined as applicants that have a sales agreement to purchase a home, approval of a first mortgage with a local lender, and are income certified. Additionally, families must meet the definition of a first-time homebuyer.

A first-time homebuyer is a family who has not owned a home within the past three (3) years immediately preceding the SHIP assisted purchase. However, someone who has lost the home as a result of a divorce within the last three (3) years meets the first-time homebuyer definition. Applicants must successfully complete a homebuyer counseling course.

f. Sponsor Selection Criteria: Not applicable.

g. Additional Information:

- Applicants receiving First Time Homebuyer assistance are not eligible for additional SHIP assistance except for Emergency Repair or Disaster Assistance for a period of five (5) years.
- Funds may be leveraged with federal, state, and private

funds, as well as donations.

- Asset limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook *Asset* Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
- Mobile homes are not eligible for assistance.

**D. STRATEGY: NEW CONSTRUCTION SUBSIDY**

- a. Summary of the Strategy:  
SHIP funds will be made available to area non-profit housing agencies and/or non-profit housing developers to partially underwrite the costs of constructing affordable homes for families that cannot otherwise qualify for a mortgage through normal lending channels. These funds will enhance affordability and enable the non-profit housing sector to increase the number of affordable housing units produced for SHIP eligible homebuyers within the local area. The focus of this strategy is upon unit production primarily targeting very-low income families. An income-eligible family must be approved by the county prior to expending funds for construction of the housing unit to the non-profit housing agency/developer.
- b. Fiscal Years Covered:  
2010  
2011  
2012
- c. Income Categories to be served:  
A minimum of 75% of the families purchasing homes through this activity must have incomes below 50% of the area median income. All remaining families must have incomes that do not exceed 80% of the median income.
- e. Maximum award is noted on the Housing Delivery Goals Charts: \$25,000.
- f. Terms, Recapture and Default:  
An interest free mortgage with a term of fifteen (15) years will be provided to an income-eligible family. A lease-purchase option shall be permitted as part of this strategy, however the conversion to homeownership shall occur within a maximum of eighteen (18) months from the date of occupancy or no later than twenty-four (24) months from the end of the applicable state fiscal year, whichever occurs first, to meet the SHIP expenditure deadlines. The lease-purchase is only eligible to income-certified households approved by the county. The lease-purchase period allows the family time to comply with sweat equity requirements, if applicable. If the initial income-eligible family does not close on the purchase of the home within the allowable lease period, the

non-profit housing agency/developer must submit another income-eligible family application to ensure the affordability period is met. The loan must be repaid when any of the following conditions occur:

- Sale. If the property is sold, the loan must be repaid.
- Occupancy. If the homeowner no longer resides in the home, the loan must be repaid.
- Title Transfer. If the title is transferred, the loan must be repaid. An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the loan must be repaid in full.
- Refinance to Access Equity.

f. Recipient Selection Criteria:

A minimum of 75% of the families purchasing homes through this activity must have incomes below 50% of the median income. All remaining families must have incomes that do not exceed 80% of the median income.

g. Sponsor Selection Criteria:

Selection will be based upon responses to an advertised request for proposal (RFP). Selection criteria will include: 1) non-profit agency's locally based expertise in affordable single-family housing construction and marketing; 2) amount of non-SHIP funds or value of in-kind services committed as SHIP leverage; 3) unit production goals in relation to SHIP funding request; 4) SHIP repayment terms requested (i.e. loan guarantee or deferred loan); and 5) percentage of units targeted to very-low income families. Preference will be given to eligible sponsors that employ personnel from the Welfare Transition Program. Proposals meeting the RFP requirements will be evaluated by the Affordable Housing Advisory Committee to determine the agency or organization that will implement the strategy. Final selection and contract approval will be provided by the County Commission. The RFP will solicit participation for the full three year LHAP period.

h. Additional Information:

- Mobile homes are not eligible for assistance.
- New construction specifications require that all appliances purchased and installed must have an *Energy Star* rating.

**E. STRATEGY: DEMOLITION & RECONSTRUCTION LOAN PROGRAM (OPTIONAL)**

- a. Summary of the Strategy:  
Existing uninhabitable or dilapidated structures for homeowners that do not have alternative housing or financial resources to alleviate the situation may be replaced under this strategy. The property must be owner-occupied and homesteaded with clear title. Liens, taxes and assessments must be current. The existing structure must be confirmed as substandard and not suitable for habitation by the appropriate county building officials. Applicants will be given a choice of several housing plans. A new or retrofit of the existing utilities driveway apron and demolition may be included as part of the construction costs and included in the bidding process.
- b. Fiscal Years Covered:  
2010  
2011  
2012
- c. Income Categories to be served: Assistance will be provided to households with incomes of 80% or less of the area media income.
- d. Maximum award is noted on the Housing Delivery Goals Charts: \$100,000.
- e. Terms, Recapture and Default: Qualified applicants will receive assistance in the form of a Deferred Payment Loan (DPL) secured by a mortgage and note. The loan will be provided at zero percent (0%) interest with no monthly payments. The homeowner will be required to maintain homeowner's insurance on the property throughout the term of the loan. The term of the loan will be twenty (20) years. At the end of the twenty (20) year term, the loan will be forgiven. The loan must be repaid during the lien period when any of the following conditions occur:
- Sale. If the property is sold, the loan must be repaid.
  - Occupancy. If the homeowner no longer resides in the home, the loan must be repaid.
  - Title Transfer. If the title is transferred, the loan must be repaid. An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the loan must be repaid in full.
  - Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a

written request for the refinance and re-subordination of the lien may be submitted for consideration.

- f. Recipient Selection Criteria: Applications are accepted on a first come/first served basis. There is a waiting list for assistance under this strategy. Applicants are required to provide accurate documentation for income and qualification determination. Funds will be encumbered on a first qualified basis. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.
- g. Sponsor Selection Criteria: This strategy will be implemented directly by Santa Rosa County staff.
- h. Additional Information:
  - Asset limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook *Asset* Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
  - Funding limitation: An applicant assisted under this strategy is ineligible to receive additional funding for substantial repair during the initial 20-year lien period. A homeowner is eligible to apply for emergency repair or disaster assistance as circumstances warrant.
  - Mobile homes may be replaced with new site-built standard constructed housing.
  - Construction specifications require that all appliances purchased and installed must have an *Energy Star* rating.

**F. STRATEGY: DISASTER MITIGATION/RECOVERY (OPTIONAL)**

- a. Summary of the Strategy:

SHIP funds may be used in all areas of Santa Rosa County to provide emergency repairs to homes owned by very low, low and moderate income families in the aftermath of a disaster declared by Executive Order. Generally, such needs shall include, but not be limited to, interim repairs to avoid further damage to the home; tree and debris removal required to make individual housing units habitable; and post-disaster assistance with non-insured repairs to homes. This optional strategy will be implemented only in the event of a declared natural disaster that directly impacts Santa Rosa County.
- b. Fiscal Years Covered:
  - 2010
  - 2011
  - 2012
- c. Income Categories to be served:

- Assistance will be given to families whose income is below 120% of the area median income.
- d. Maximum award per household/dwelling: \$15,000 as stated on the Housing Delivery Goals Chart. Emergency to substantial rehabilitation assistance may be provided on a first qualified, first served basis. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.
- e. Terms, Recapture and Default:  
Deferred Payment Loan will be provided to applicants, which is secured by a recorded mortgage that is forgivable at a rate of 20% per year over a five (5) year period. The interest on the loan is 0%. At the end of five (5) years the loan is forgiven. The loan must be repaid when any of the following conditions occur:
- Sale. If the property is sold, the loan must be repaid.
  - Occupancy. If the homeowner no longer resides in the home, the loan must be repaid.
  - Title Transfer. If the title is transferred, the loan must be repaid. An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the loan must be repaid in full.
  - Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination of the lien may be submitted for consideration.
- f. Recipient Selection Criteria:  
Assistance will be provided on a first qualified, first served basis following the declaration of the natural disaster. The home must be owner-occupied and documented for home-stead exemption. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
- Asset limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook *Asset* Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
  - Mobile homes are not eligible for assistance.

**G. STRATEGY: RENTAL DEVELOPMENT (Leverage for State and Federal Programs) OPTIONAL**

- a. Summary of the Strategy: Rental Development  
SHIP funds may be used to support the Local Government Contribution when participating in such programs as, but not limited to, Low Income Housing Tax Credit (LIHTC), State or local tax-exempt bonds, the State Apartment Incentive Loan Program (SAIL) and the Predevelopment Loan Program. The SHIP local government contribution will be expended to support new construction of multi-family rental housing developments for eligible persons, including those with special needs. Funds to support affordable housing rental initiatives will be committed on a per project basis. The actual amount is ultimately contingent upon the matching levels required to effectively participate in the various programs and initiatives.  
For those projects undertaken primarily in partnership with a local Community Housing Development Organization (CHDO) or a 501(c)(3) non-profit, an affordable housing sponsor will be selected through an open proposal submission process. The Board of County Commissioners will make the final decision regarding any project funding.
- b. Fiscal Years Covered:  
2010  
2011  
2012
- c. Income Categories to be served: Rental units developed through this strategy must be occupied by very low, low and moderate income families (below 120% of the median) and at least 10% of the families must be either very low income (below 50% of the median) or special needs housing.
- d. Maximum Award: The maximum award level for this strategy is shown on the Housing Delivery Goals Charts: \$175,000 per project maximum; \$50,000 per unit maximum. The funding will be awarded on a project basis to the developer as development progresses and in accordance with terms approved on each specific project by the Board of County Commissioners.
- e. Terms, Recapture and Default: Deferred Payment Loan at zero percent (0%) or below market interest rate (for a 20 or 25 year term, as approved by the Board of County Commission based upon the specific project terms presented for consideration, forgivable in annual increments over the full term of the mortgage assuming compliance with all SHIP requirements by the Sponsor agency). Funds will be secured by mortgage and note. Maximum term is 25 years, unless a longer term is specifically required as a condition for project financing. As defined in the applicable mortgage and

note, full recapture of SHIP funds invested is required upon default, unless a forgiveness provision (depreciating balance) is incorporated into the mortgage and note in which case, the un-depreciated portion shall be due and payable upon default.

Compliance monitoring shall be performed annually by county housing program staff or a designated agent for a minimum of 15 years through direct review of Sponsor agency documentation to establish compliance with SHIP Program affordability requirements with respect to tenant occupancy, income levels, and rental rates. For FHFC financed projects that also receive SHIP local support, occupancy, rent, and housing quality compliance documentation secured by FHFC or its contract monitor, shall be deemed acceptable in meeting this requirement. The sale of properties assisted with SHIP funds shall require approval of the Board of County Commissioners and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note. Under the SHIP Program, assisted rental properties offered for sale prior to the end of the term of assistance must be subject to a right of first refusal for purchase at the current market value by eligible non-profit organizations that would provide continued occupancy by SHIP eligible persons.

- f. Recipient Selection Criteria:  
Assistance will be provided on a first come/first served basis.
- g. Sponsor Selection Criteria:
- h. Additional Information: N/A

**H. STRATEGY: DEVELOPMENT OF RESIDENTIAL UNITS  
TARGETING SPECIAL NEEDS HOUSING (OPTIONAL)**

- a. Summary of the Strategy:  
To assist local non-profit sponsors in developing special needs housing for eligible clients through acquisition, rehabilitation, and/or new construction of suitable units. Special needs groups shall generally include, but not be solely limited to: homeless persons, mentally or physically handicapped persons, or victims of domestic violence. Such units shall be utilized by the subject non-profit sponsor to meet short or long-term housing needs of eligible persons. Operational costs after initial acquisition shall be the responsibility of the sponsoring agency.
- b. Fiscal Years Covered:
  - 2010
  - 2011
  - 2012

- c. Income Categories to be served: 100% of families assisted through this strategy must have incomes below 50% of the median income at the time of initial occupancy.
- d. Maximum Award as noted on the Housing Delivery Goals Chart: \$75,000 per unit.
- e. Terms, Recapture and Default: Direct Grant to provide special needs housing, along with a developmental agreement (agreement will contain specific terms and conditions that are project specific addressing construction/acquisition and set-aside restrictions as designated by the Board of County Commissioners), and deed restriction for a fifteen (15) year period. Mortgage term is not applicable to this Strategy. The sale of properties assisted with SHIP funds shall require approval of the Board of County Commissioners and shall be acceptable only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement. Under the SHIP Program, assisted rental properties offered for sale prior to the end of the term of assistance must be subject to a right of first refusal for purchase at the current market value by eligible non-profit organizations that would provide continued occupancy by SHIP eligible persons.
- f. Recipient Selection Criteria: Assistance will be provided on a first come/first served basis. Properties secured through this activity shall be limited to occupancy by persons or families who are homeless or have special needs and who are under active case management by the Sponsor agency. Sponsor agency/agencies shall provide income, occupancy and case management documentation to the SHIP Administrator at least quarterly.
- g. Sponsor Selection Criteria: The selection of sponsors for management of the special needs housing units will be based upon responses to an advertised request for proposal. Selection criteria will include the following:
  - Sponsor's previous experience with documenting recipient's eligibility
  - Non-profit sponsor's past experience and demonstrated performance in management/operation of housing for special needs population(s);
  - Proposed total SHIP cost per unit;
  - Level of long-term commitment to assist very low income families having special housing needs.
- h. Additional Information: N/A

### **III. LHAP INCENTIVE STRATEGIES**

*Section 420.9071(16), F.S.*

- A. **Incentive Strategy:** 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.

Established policy and procedures:

On, June 11, 1998, Santa Rosa County adopted Resolution 98-17 adopting an expedited processing procedure. Affordable housing permit applications will be given priority in the event the permit approval time should reach a level in excess of seven (7) days.

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

The county currently has a moratorium on transportation impact fees. However, in the event the moratorium is lifted, the county has an installment method which permits payment over a period of seven years with 1/7<sup>th</sup> paid upon approval and 1/7<sup>th</sup> paid annually for six years.

- C. **Incentive Strategy:** 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.

Resolution 98-17, Section 1 (b) establishes the requirement for the review of local policies, procedures, ordinances, regulations and plan provisions that significantly impact the cost of housing, prior to their adoption with an emphasis on limiting the cost impact upon housing affordability. The County Planning office will have the responsibility of performing the review procedure.

- D. **Incentive Strategy:** The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

An inventory of locally owned public lands suitable for affordable housing will be maintained by the County. The GIS Department has developed a program to identify such properties. A listing may be obtained upon request.

**IV. EXHIBITS:**

- A. Administrative Budget for each fiscal year covered in the Plan.**  
**Exhibit A.**  
(Will be completed in accordance with SHIP requirements.)
- 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.  
(Will be completed in accordance with SHIP requirements.)
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan: Chapter 67-37.005, F.A.C. Exhibit C.**  
(Will be completed in accordance with SHIP requirements.)
- D. Certification Page: Chapter 67-37.005, F.A.C.**  
Signed Certification is attached as **Exhibit D.**
- E. Adopting Resolution: Section 420.9072, F.S.**  
Original signed, dated, witnessed or attested adopting resolution is attached as **Exhibit E.**
- F. Program Information Sheet:**  
Completed program information sheet will be attached as **Exhibit F.**
- G. Ordinance: Section 420.907, F.S.**  
If changed from the original ordinance, a copy is attached as Exhibit G. **There has been no change to the original ordinance.**  
Therefore, no Exhibit G is attached.
- H. Interlocal Agreement: Section 420.9072, F.S.**  
There is no interlocal agreement.