

# DESOTO COUNTY HURRICANE HOUSING RECOVERY PLAN



DESOTO COUNTY  
201 East Oak Street, Suite 201  
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## I. PROGRAM DESCRIPTION

COUNTY: DESOTO COUNTY

BASE ALLOCATION REQUEST: \$8,147,644

EXTREMELY LOW INCOME REQUEST: \$1,629,529

COMMUNITY COLLABORATION REQUEST: \$1,086,353

**PARTICIPATING PARTIES IN COMMUNITY PLANNING STRATEGY: Local Lenders, Disaster Recovery Organizations, FEMA Long Term Recovery representatives, Local Housing Authority**

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## II. HURRICANE HOUSING RECOVERY STRATEGIES

### HOME OWNERSHIP STRATEGIES

#### 1. Purchase Price Buy Down: **Assistance:**

- a. **Activity Description:** Funds are provided to homebuyers for new construction or the purchase of an existing home. The maximum purchase price for construction or the purchase of an existing home is \$189,000. Only the amount of subsidy required to close will be awarded. Funds through this strategy may be utilized to make necessary code related repairs to the unit being purchased. The maximum award may not be exceeded. Applicants will be pre-qualified through the Housing Office for this assistance. Upon completion of application/income verification the homeowner will be notified in writing as to his or her eligibility determination. Eligible applicants will be provided a list of participating lenders through the HHRP program. The Housing Office must be provided a copy of all inspections, appraisals, and photos of each residence being purchased or constructed with HHRP funds. The applicant will be responsible for selecting an eligible home and securing his or her maximum mortgage commitment. Post '94 Mobile Homes may be purchased with HHRP assistance. Funds will be provided to the closing agent for eligible applicants. Upon notification of eligibility, the maximum award will be encumbered for the applicant. Funds will be encumbered for a period of 60 days. If the homebuyer fails to close, or contact the Housing Office with specific details and timelines, the funds will be made available to the next applicant. The HHRP administrator will

award encumbrance extensions on a case-by-case basis. If funds are unencumbered, the applicant will have to reapply for funding.

- b. State Fiscal Year(s): 2005, 2006, 2007
- c. Income Categories Served: very low, low, and moderate income households as defined by Section 420.9071, F.S.
- d. Maximum Award: Maximum award is tiered by income category as follows:  
Very Low = ~~\$30,000~~ **\$40,000**  
Low = ~~\$25,000~~ **\$35,000**  
Moderate = ~~\$20,000~~ **\$30,000**
- e. Terms/Recapture/Default Provisions: Subject to a subordinate mortgage. Mortgage due and payable to the DeSoto County HHRP trust Fund upon transfer of ownership of the property. A homeowner will be in default if he/she fails to maintain the unit as his/her primary residence or if the owner transfers ownership of the property. Repayment shall become due and payable within 30 days of the transfer.
- f. Recipient Selection Criteria: Funds are made available first come first ready basis to HHRP eligible applicants.
- g. Sponsor Selection Criteria: Not applicable. The County administers the purchase price buy-down assistance program.

## 2. OWNER OCCUPIED HOUSING REHABILITATION

- a. Activity Description: Funds will be available for the rehabilitation or replacement of substandard housing. Assistance is provided to correct local housing code violations, provide for reasonable repairs and modifications to make a dwelling accessible to handicapped and elderly occupants as necessary and technically feasible; and to correct health and safety violations that may be present. It is the intent of this strategy to provide housing that meets, or exceeds Section 8 requirements. The County will advertise for participation from Florida Licensed contractors who are properly insured to participate in the program. County Inspectors, or other qualified inspectors, will complete initial inspections and work write-ups for each qualified unit. At such time, a walk-through will performed for the purpose of obtaining bids from contractors. Bids will be awarded to the lowest bidder capable of completing the work in a timely manner. Bids and

recommended bid awards will be presented to the Board of County Commissioners for approval. Once bids are awarded, the County will schedule homeowner meetings in order to execute Second Mortgages and enter into agreements with the contractors. Homeowners will be provided with copies of pertinent paperwork, be advised of their rights and be provided an opportunity to ask any questions they may have regarding the program. HHRP funds will not be used to rehabilitate mobile homes; however, mobile homes may be replaced with site-built homes or new mobile homes under the rehabilitation strategy. Mobile home replacements will be subject to (3) quotes of adequately sized mobile homes in accordance with family size. **Eligibility will be determined on a case-by-case basis with consideration as to state of deterioration and the amount of subsidy available through HHRP and other public/private sources.** Upgrades to the unit will not be paid for from the HHRP program. Homeowners will be responsible for securing any necessary funding in excess of the program maximum award. Other housing rehabilitation funds may be used in conjunction with HHRP Funds to include, but not limited to, CDBG, SHIP, and USDA.

- b. Fiscal Year (s) 2005, 2006, 2007
- c. Income Categories Served: Extremely low, very low, low, and moderate income households as defined by Section 420.9071, F.S.
- d. Maximum Award: Maximum award is \$50,000
- e. Terms, Recapture, Default: Subsidy will be subject to a zero interest, non-amortizing second mortgage. **Replacement Mortgages** will be due and payable in full at the time of transfer of ownership. **The following shall constitute default:**
  1. Failure to maintain the home as a principal residence
  2. Transfer of ownership.

**Rehabilitation Subsidy Mortgages** are subject to a second Mortgage in the amount of the rehabilitation cost. Rehabilitation Mortgages will be forgiven over time as follows:

AMOUNT OF HHRP ASSISTANCE:	TERM:
\$5,000 or less	GRANT
\$5,001 – \$15,000	3 years
\$15,001-\$30,000	5 years
\$30,001 -\$50,000	10 years

Homeowners that fail to maintain the rehabilitated residence as

the principal residence shall be deemed to be in default. Transfer of ownership prior to the expiration of the term of the HHRP Mortgage shall constitute default. HHRP funds will be due and payable to the HHRP Trust Fund for the full amount of the HHRP mortgage within thirty (30) days from the date of the transfer.

- f. Recipient Selection Criteria: HHRP eligible households, ranking criteria as identified as addendum 2, date/time application was received, and considerations relating to the award of County/City assistance over the past 10 years. Applicants will be ranked in accordance with ranking criteria and then be funded on a first come first serve basis (applications with equal scores).
- g. Sponsor Selection Criteria: Not applicable. DeSoto County will administer the homeowner rehabilitation/replacement strategy.

### **3. AFFORDABLE SINGLE FAMILY PARTNERSHIP**

- a. Activity Description: Funds will be available on a competitive basis to non-profit and for profit developers for the creation of new affordable housing units. The County will solicit proposals through an RFP process in accordance with County Procurement Policies, to run concurrent with the FHFC universal application cycle. Sponsors will be selected based on qualifications, experience, capacity, stability, type of program, and overall ability to meet HHRP requirements. Funds may be used for land acquisition, infrastructure, construction, and other construction related costs. The cost of the home to the homebuyer must be affordable to low-to-moderate income persons. Benefits must accrue directly to an income eligible homeowner.
- b. Fiscal Year (s): 2005, 2006, 2007
- c. Income Categories Served: Very low, low, and moderate incomes as defined by Section 420.9071, F.S.
- d. Maximum Award: \$30,000 per unit
- e. Terms, Recapture, Default: All HHRP subsidy will be subject to a subordinate mortgage to income eligible buyers. HHRP mortgage shall be due and payable to the DeSoto County HHRP Trust upon transfer of ownership. A homeowner shall be in default if he/she fails to maintain the home as the principal place of residence or transfers ownership of the home.

- f. Recipient Selection Criteria: Recipients must meet HHRP income guidelines
- g. Sponsor Selection Criteria: IRS approved non-profit and for profit affordable housing providers. Agencies will compete for HHRP funds at the discretion of the County and in accordance with the County's procurement policies. Sponsors will be selected based on the criteria shown in Addendum 2.
- h. Additional Information: This strategy encourages the leverage of public dollars to include: private capital, donations, sweat equity, and other available funding sources. An entity's scoring sheet results will not ensure funding, nor will it determine the amount of funding for the proposal. The County reserves the right to award these funds to the most viable project with all considerations explored. All proposals are subject to professional underwriting services. **Subsidy will be provided to income eligible families at the time of the closing. Funds will not be made available to developers upfront.**

#### **4. OWNER OCCUPIED REFINANCE OPTION**

- a. Activity Description: Funds will be made available through a Competitive process to non-profit and for profit organizations to leverage HHR funds for the purposes of refinancing income eligible households for the purpose of re-construction or rehabilitation.
- b. Fiscal Years(s) 2005, 2006, 2007
- c. Income Categories Served: Very low, low, and moderate income households as defined by Section 420.9071, F.S.
- d. Maximum Award: \$25,000
- e. Terms, Recapture, Default: All funds leveraged shall be in the form of a loan to the recipient. Loan repayment shall remain in a separate trust for DeSoto County residents. Funds may be used to further the program or may be requested by the County to further other home-ownership activities outlined in this plan.
- f. Recipient Selection Criteria: Funds must be utilized to assist income eligible households
- g. Sponsor Selection Criteria: IRS approved non-profits and for profit organizations with the experience, capacity, and available funds to leverage this activity.

- h. Additional Information: None

## **RENTAL STRATEGIES**

### **1. RENTAL HOUSING REHABILITATION**

- a. Activity Description: Funds will be made available, through a competitive process, to non-profit and for profit rental housing developers/owners. Construction, minor rehabilitation, major rehabilitation, and other construction related costs are eligible activities. Applicants will be ranked in accordance with the criteria set forth in Addendum “B”.
- b. Fiscal Year (s): 2005, 2006, 2007
- c. Income categories served: extremely low, very low, low, and moderate income households as defined by Section 420.9071, F.S.
- d. Maximum award: \$10,000 per income eligible unit
- e. Terms, Recapture, Default: All rental housing must be rented at affordable rates as published by HUD (rents will not exceed the limits as adjusted by the number of bedrooms). All rental units must maintain affordability for a term of not less than fifteen (15) years. Terms and recapture will be determined on a case-by-case basis pending professional underwriting services.
- f. Recipient Selection Criteria: Recipients must be HHRP income eligible
- g. Sponsor Selection Criteria: Available to IRS approved non-profits and for profit developers of affordable rental housing. Sponsors will be selected in accordance with the criteria shown in Addendum “2”. All proposals are subject to professional underwriting services.
- h. Additional information: In the selection process, consideration will be given to projects that are deemed feasible by the County. Ranking Criteria does not ensure funding of an application or proposal.

### **2. CREATION OF NEW RENTAL HOUSING UNITS:**

- a. Activity Description: Funds will be available to non-profit and for profit developers through a competitive process for the construction of new affordable rental units. The County will solicit proposals through an RFP, in accordance with procurement policies and concurrent with FHFC universal application cycle.

- b. Fiscal Year(s) : 2005, 2006, 2007
- c. Income Categories Served: Extremely low, very low, and low-income households as defined in Section 420.9071, F.S.
- d. Maximum Award: \$60,000 for ELI units and \$50,000 for VLI and LI units.
- e. Terms, Recapture, Default: All rental housing must be rented at affordable rates as published by HUD (rents will not exceed the limits as adjusted by the number of bedrooms). All rental units must maintain affordability for a term of not less than fifteen (15) years. HHRP funds shall be in the form of a loan to the developer. Transfer of ownership prior to the end of the term of affordability shall constitute default. Failure to maintain affordable rents shall constitute default. In the event that the sponsor is found in default, the full amount of the HHRP loan shall be due and payable.
- f. Sponsor Selection Criteria: Available to IRS approved non-profits and for profit developers of affordable rental housing. Sponsors will be selected in accordance with the criteria shown in Addendum “2”. All proposals are subject to professional underwriting services.
- g. Sponsor Selection Criteria: Available to IRS approved non-profits and for profit developers of affordable rental housing. Sponsors will be selected in accordance with the criteria shown in Addendum “2”. All proposals are subject to professional underwriting services.
- h. Additional Information: In the selection process, consideration will be given to projects that are deemed feasible by the County. Ranking Criteria does not ensure funding of an application or proposal.

### **III. EXTREMELY LOW INCOME ALLOCATION:**

ELI funds may be utilized in any of the strategies outlined in the HHRP Plan. ELI funds will be separately tracked and expended to assist the extremely low income households/units.

### **III. COMMUNITY COLLABORATION ALLOCATION:**

- a. Activity Description: DeSoto County SHIP funds are made available to applicants within the incorporated limits of the City of Arcadia and to applicants in the unincorporated areas of DeSoto County. Applications are to be ranked by need with no consideration for whether the resident resides within the City of the unincorporated areas of the County. The County will work with the City of Arcadia in order to provide for outreach and to obtain contact information for any applicants, which were not funded that the City may have through other programs offered in the City over past year. The



County will work through recovery providers, the City of Arcadia and local churches, in addition to public advertising in order to maximize public awareness of the assistance that is available through the HHRP funds. DeSoto County will work pro-actively with organizations and municipalities in order to make them aware of the types of assistance available, program guidelines, and applications for distribution to persons they feel are eligible for assistance under the strategies in this plan.

**IV. ADMINISTRATIVE BUDGET**

**A. Summary of expenses: The County is forming a Housing Department in Order to implement these funds and increase housing activities in the County. Four positions will be funded. Professional services may include, but is not limited to, technical assistance consulting and legal services. Any unexpended administrative funds shall be rolled into the next fiscal year. Third year excess administrative funds will be utilized for administrative expenses in the event the County requests the one-year extension**

**FY 2005**

Salaries and Benefits	\$ 182,987	
Equipment/Fuel	\$ 100,000	
Professional Services	\$ 150,000	
Training/Travel	\$ 40,000	
Postage/Telephone	\$ 25,000	
Office Supplies/Printing	\$ 45,189	<b>TOTAL: <u>\$543,176.00</u></b>

**FY 06**

Salaries and Benefits	\$ 188,476.61	
Equipment/Fuel	\$ 94,500	
Professional Services	\$ 150,000	
Training/Travel	\$ 40,000	
Postage/Telephone	\$ 25,000	
Office Supplies/Printing	\$ 45,199.39	<b>TOTAL: <u>\$543,176.00</u></b>

**FY 07**

Salaries and Benefits	\$ 194,130.91	
Equipment/Fuel	\$ 88,845	
Professional Services	\$ 150,000	
Training/Travel	\$ 40,000	
Postage/Telephone	\$ 25,000	
Office Supplies/Printing	\$ 45,200.09	<b>TOTAL: <u>\$543,176.00</u></b>

**ATTACHMENTS:**

**A – Timeline**

**B – Housing Delivery Goals Chart**

**C – Certification**

**D – Information Sheet**

**E – N/A**

**F – Adopting Resolution**

**Addendum A – Ranking Criteria for Rehabilitation/Replacement Strategy**

**Addendum 2 – Sponsor Scoring Criteria**

## Addendum #1

### Ranking Criteria for Rehabilitation/Replacement Strategy

All applications received during the advertisement period will be sorted by income category: Extremely Low, Very Low, Low, and Moderate Income. Applications will be funded by income category for each fiscal year until the funds for that year are expended.

Each Group of applications will be ranked in accordance with the following criteria:

Ranking Criteria	Point Awards	ELI Points	VLI Points	LI Points	Moderate Income Points
Elderly and Disabled	5	24	23	22	21
Elderly applicants	4	20	19	18	17
Disabled applicants	3	16	15	14	13
Families with disabled dependants	2	12	11	10	9
Other households	1	8	7	6	5
Households that have received housing assistance in past 10 years through the County or City	0	4	3	2	1

**OTHER APPLICATION CONSIDERATIONS:** Homeowners in need of funds in excess of the maximum amount of funding per unit available will be responsible for obtaining the additional resources needed through a lending institution or other private/public sources.

**Addendum #2**

**Homeownership Scoring Criteria**

<b>SCORING CRITERIA</b>	<b>Maximum Points New Construction</b>	<b>Maximum Points Rehabilitation</b>
Staffing	<b>5</b>	<b>5</b>
Operational Procedures	<b>5</b>	<b>5</b>
Staff Experience	<b>5</b>	<b>5</b>
Board Experience	<b>5</b>	<b>5</b>
Homeowner Services Provided	<b>5</b>	<b>5</b>
<b>Sub-Total</b>	<b>25</b>	<b>25</b>
<b>Project Feasibility/Readiness to Proceed</b>	<b>New Construction</b>	<b>Rehabilitation</b>
Clearly stated, measurable objectives	<b>5</b>	<b>5</b>
Ability to proceed and complete project in a timely fashion	<b>5</b>	<b>5</b>
Engineering/Architectural Drawings	<b>5</b>	<b>5</b>
Zoning/Land Use	<b>5</b>	<b>N/A</b>
<b>Sub-Total</b>	<b>20</b>	<b>15</b>
<b>Financial Feasibility</b>	<b>New Construction</b>	<b>Rehabilitation</b>
Clearly budgeted sources/uses of funds	<b>5</b>	<b>5</b>
Due Diligence in Cost Estimates	<b>5</b>	<b>5</b>
Financial Audit Report	<b>5</b>	<b>5</b>
Adequate Funding to carry out plan in place	<b>5</b>	<b>5</b>
HHRP Funds Leveraged/Match	<b>10</b>	<b>10</b>
Funds requested appropriate for project	<b>10</b>	<b>10</b>
<b>Sub-Total</b>	<b>40</b>	<b>40</b>
<b>Bonus Point Awards</b>	<b>New Construction</b>	<b>Rehabilitation</b>
WAGES Participation	<b>5</b>	<b>5</b>
Extremely Low Income Benefit	<b>10</b>	<b>10</b>
Very Low Income Benefit	<b>10</b>	<b>10</b>
Low Income Benefit	<b>10</b>	<b>10</b>
Energy Efficiency	<b>5</b>	<b>5</b>

<b>Sub-Total</b>	<b>40</b>	<b>40</b>
<b>TOTAL POINTS POSSIBLE</b>	<b>125</b>	<b>120</b>

### SCORING SCALE

#### Staff Experience AND Board Experience

<b>Years of Similar Project Experience</b>	<b>Points Available</b>
<b>More than 5 years</b>	<b>5</b>
<b>3-5 years</b>	<b>4</b>
<b>2 years</b>	<b>3</b>
<b>1 year</b>	<b>2</b>
<b>No Experience</b>	<b>0</b>

#### Readiness to Proceed:

<b>Project Readiness</b>	<b>Points Available</b>
<b>Start Immediately</b>	<b>5</b>
<b>Start within 3-4 months</b>	<b>4</b>
<b>Start within 5-6 months</b>	<b>2</b>
<b>Start more than 6 months out</b>	<b>1</b>

Other Scoring Criteria are based on the statements/representations of clear objectives, budget, due diligence and are scored based on the information provided rather than on a clearly defined scale. All proposals are subject to professional underwriting services.

FLORIDA HOUSING FINANCE CORPORATION									Sources of Funds:			HHRP		\$8,147,644				
HURRICANE HOUSING DELIVERY GOALS CHART									Community Planning Partnership			\$ 1,086,353.00						
STRATEGIES FOR THE HURRICANE HOUSING ASSISTANCE PLAN FOR STATE FISCAL YEAR: 2005-2007									Subtotal			\$ 9,233,997.00						
Name of Local Government: DESOTO COUNTY									ELI Funds			\$ 1,629,529.00						
									TOTAL AVAILABLE FUNDS:			\$10,863,526.00						
									New Construction	Rehab/Repair	Without Construction	D	E	F				
HOME OWNERSHIP STRATEGIES	ELI Units	Max. Award	VLI Units	Max. Award	LI Units	Max. Award	MI Units	Max. Award	HHRP & Partnership Dollars	HHRP & Partnership Dollars	HHRP & Partnership Dollars	Total ELI Dollars	Total HHRP & Partnership Dollars	Total Percentage	Total Units			
Purchase Assistance			18	\$40,000	25	\$35,000	13	\$30,000	\$500,000.00		\$1,500,000.00		\$2,000,000	22%	56			
Owner Occupied Rehabilitation/Replacement	22	\$0,000	20	\$50,000	20	\$50,000	10	\$50,000		\$2,500,000.00		\$1,084,429.00	\$ 2,500,000.00	27%	50			
Affordable Single Family Partnership			10	\$30,000	10	\$30,000	5	\$30,000	\$750,000.00				\$ 750,000.00	8%	25			
Owner Occupied Refinance Option			12	\$25,000	12	\$25,000	7	\$25,000		\$779,469.00			\$ 779,469.00	8%	31			
														0%	0			
														0%	0			
														0%	0			
														0%	0			
<b>Subtotal 1 (Home Ownership)</b>	<b>22</b>	<b>\$1,100,000</b>	<b>60</b>	<b>\$2,320,000.00</b>	<b>67</b>	<b>\$2,475,000.00</b>	<b>35</b>	<b>\$1,215,000.00</b>	<b>\$1,250,000.00</b>	<b>\$3,279,469.00</b>	<b>\$1,500,000.00</b>	<b>\$1,084,429.00</b>	<b>\$ 6,029,469.00</b>	<b>65%</b>	<b>162</b>			
<b>RENTAL STRATEGIES</b>																		
	ELI Units	Max. Award	VLI Units	Max. Award	LI Units	Max. Award	MI Units	Max. Award	New Construction Dollars	Rehab/Repair Dollars	Without Construction Dollars	Total ELI Dollars	Total HHRP & Partnership Dollars	Total Percentage	Total Units			
Rental Housing Rehabilitation			25	\$10,000	25	\$10,000				\$500,000.00			\$ 500,000.00	5%	50			
Creation of New Rental Housing units	9	\$60,000	10	\$50,000	10	\$50,000			\$1,000,000.00			\$545,100.00	\$ 1,000,000.00	11%	20			
														0%	0			
														0%	0			
														0%	0			
<b>Subtotal 2 (Non-Home Ownership)</b>	<b>9</b>	<b>\$540,000</b>	<b>35</b>	<b>\$750,000</b>	<b>35</b>	<b>\$750,000</b>	<b>0</b>	<b>0</b>	<b>\$1,000,000.00</b>	<b>\$500,000.00</b>	<b>\$0.00</b>	<b>\$545,100.00</b>	<b>\$1,500,000.00</b>	<b>16%</b>	<b>70</b>			
Administration Fees													\$1,629,528.00	15%				
Admin. From Program Income																		
Home Ownership Counseling													\$75,000.00	1%				
<b>GRAND TOTAL</b>																		
Add Subtotals 1 & 2, plus all Admin. & HO Counseling		<b>1640000</b>	<b>95</b>	<b>\$3,070,000.00</b>	<b>102</b>	<b>\$3,225,000.00</b>	<b>35</b>	<b>\$1,215,000</b>	<b>\$2,250,000.00</b>	<b>\$3,779,469.00</b>	<b>\$1,500,000.00</b>	<b>\$1,629,529.00</b>	<b>\$9,233,997.00</b>	<b>100.00%</b>	<b>232</b>			
<b>Maximum Allowable Purchase Price: \$189,000.00</b>																		
									<b>New</b>	\$ 1,890,000.00	<b>Existing</b>	\$ 189,000.00						
<b>Allocation Breakdown</b>									<b>Amount</b>		<b>%</b>							
<b>Very-Low Income</b>									\$3,070,000.00		33.0%							
<b>Low Income</b>									\$3,225,000.00		35.0%							
<b>Moderate Income</b>									\$1,215,000.00		13.0%							
<b>TOTAL</b>									\$7,510,000.00		81.0%							
												Projected Program Income:		\$ -	Max Amount Program Income For Admin:		10%	\$0.00
												Projected Recaptured Funds:		\$ -				
												Distribution:		\$ -				
												Total Available Funds:		\$0.00				
																26-Jan-06		