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**I. PROGRAM DESCRIPTION**

**A. Name of County:**

Base Allocation Request: \$2,326,849.00

Extremely Low Income Request: \$465,370.00

Community Planning Request: \$310,247.00

Name of participating local government(s) or other agencies in the  
Community Planning Strategy

Highlands County

**IV. HHRP HOUSING STRATEGIES**

**NOTE: Strategies which are already being used under the SHIP program as well as new strategies should be listed in this section.**

Provide Description:

**A. Name of the Strategy: Not-For-Profit Homeowner Partnership**

a. Summary of the Strategy:

The Homeowner Partnership provides homebuyer subsidy loans to not-for-profit organizations that wish to provide permanent owner occupied housing for Very Low and Low Income families. The loan proceeds shall be used to reduce the principal cost of the mortgage to applicants. The not-for-profit agency will be expected to acquire, develop, and sell the property and identify and assist qualified buyers.

In recognition that the not-for-profit will incur expenses to develop housing and will need to be reimbursed for these services, the Housing Department will pay the successful not-for-profit agency a developer's fee. The developer's fee will be paid at the rate of \$3,000 for housing developed with Homeowner Partnership funds. In return for the developer's fees, the not-for-profit agency is expected to provide the following services:

- Acquire the property, using due diligence to determine if the property is buildable.
- Select the home and determine if the home can be built on the site.
- Meet with the neighborhood association, if one exists, to inform them of the development and obtain input on ways to improve the development.

- Supervise the construction of the home.
- Identify the buyer for the home.
- Identify a suitable lender who will provide the 1<sup>st</sup> mortgage on the property.
- Arrange for the sale of the property.

The receipt of a developer's fee is at the option of the applicant. The fee may be used to pay for the cost of administering the program or to purchase additional eligible housing.

Very Low or Low Income families are also eligible to receive down payment assistance to purchase a home (depending upon availability of funds) through the State Housing Initiatives Partnership Program (SHIP) Down Payment Assistance Program in conjunction with this program.

All funds must be used in compliance with SHIP and / or federal program rules (such as the HOME Investment Partnership Program).

Properties assisted with Homeowner Partnership funds may be located in any one of the incorporated municipalities in Highlands County or in the unincorporated County. All properties must have potable water, sewer or septic and utilities available. If public water and / or sewer are available to the site, the property must connect to the public supply.

- b. Fiscal Years Covered: State Fiscal Years 2005 – 2007.
- c. Income Categories to be served: The recipients will be to households with Very Low and Low incomes that meet the income limits as defined by *Florida Statutes*.
- d. Maximum award as noted on the Hurricane Housing Goals Chart: Up to \$20,000 per unit, in the form of up to \$17,000 Mortgage Buy Down and \$3,000 Developer Fee.
- e. Terms, Recapture and Default:  
A deferred principal payment, zero percent (0%) interest rate, non-amortizing second mortgage due upon the sale, transfer or disposition of the property either voluntary or involuntary, or when homeowner ceases to occupy the home as a principal residence. This mortgage representing HHRP and SHIP (if applicable) funds is provided to the homeowners and is placed on the properties in the name of the Highlands County Board of County Commissioners. Mortgage buy-down funds cannot be included as

part of a second “equity” mortgage to homebuyers.

f. Recipient Selection Criteria:

The not-for-profit agency must sell the developed home to an eligible family. The buyer need not be a first-time homebuyer.

- The applicant meets SHIP income eligibility criteria.
- The home to be purchased must be located in Highlands County.
- The applicant must have completed a four (4) hour Money Skills Training Class and a four (4) hour Homebuyer Training Class. The classes will be approved and provided by the Highlands County Housing Department.
- New units must be constructed within one year of the loan closing.
- The HHRP funding cannot be utilized when the seller of the property provides the financing of the mortgage.
- Applicants must have procured Homeowner’s Insurance prior to closing and must name the Highlands County Board of County Commissioners as the second mortgagee on the insurance policy.
- Applicant must have first mortgage lender approval.
- Applicant will be required to contractually agree to all SHIP program guidelines, subordinate mortgage requirements, recapture provisions, and certify that the HHRP assisted unit will be their primary residence.

g. Sponsor Selection Criteria, if applicable:

To be eligible to receive funding the not-for-profit organization must meet the following conditions:

- It must have received a tax-exempt ruling from the Internal Revenue Service under Section 501(c)(3) or (4) of the Internal Revenue Code.
- It must have financial accountability standards that permit the Housing Department to account for and audit the awarded funds.
- It must have in its By Laws, or in its Articles of Incorporation, a statement that one of its goals is to provide affordable housing.
- The not-for-profit agency must have a “Certificate of Good Standing” from the Florida Division of Corporations.
- Community Housing Development Organizations (CHDOs) are encouraged to participate.

Applications from not-for-profit agencies will be awarded competitively using criteria including, but not limited to, the following:

- The financial strength of the not-for-profit agency;
- The ability of the not-for-profit to complete the development by the deadlines established by the state;

- The capacity of the not-for-profit;
- The features of the proposed house(s);
- The marketing plan for the sale of the homes;
- Whether or not the not-for-profit employs personnel from the WAGES or Workforce Development Program;
- Whether the proposed housing is compatible with the neighborhoods in terms of design and size.

h. Additional Information:  
The purchase of mobile homes is not an eligible activity.

**B. Name of Strategy: Housing Partnership Program**

a. Summary of the Strategy:  
The Housing Partnership Program for homeownership provides part of the match, local contribution, demonstration of local government support or leverage for other funds (public or private) to for-profit and not-for-profit organizations that wish to provide permanent owner occupied housing for workforce families. The sponsor agency will be expected to acquire, develop, and sell the property to eligible and qualified buyers.

Low and Moderate Income families are also eligible to receive down payment assistance to purchase a home (depending upon availability of funds) through the SHIP Down Payment Assistance Program in conjunction with this program.

b. Fiscal Years Covered: State Fiscal Years 2005 – 2007.

c. Income Categories to be served:  
Assistance will be provided to Low and Moderate Income households that meet the income limits as defined by *Florida Statutes*.

d. Maximum award is noted on the Housing Delivery Goals Chart:  
The maximum amount of Housing Partnership Funds that may be spent on any housing unit is \$25,000 in the form of a mortgage buy down.

e. Terms, Recapture and Default:  
SHIP funds may be used as part of the match, local contribution, to demonstrate local government support or to leverage other funds such as, but not limited to, Florida Housing Finance Corporation programs: Affordable Housing Guarantee Loan Program, Homeowner Assistance Program (HAP), or HOME Investment Partnership Program or other public and private funds. All funds

must be used in compliance with SHIP program and/or other state and federal program rules. Mortgage buy down funds cannot be included as part of a second “equity” mortgage to homebuyers.

Applicants must show that they have received the maximum loan percentage from the lender and have put a minimum of \$500 of their own funds into the purchase.

A mortgage representing HHRP funds provided to new homeowners is placed on the purchased properties in the name of the Highlands County Board of County Commissioners. All HHRP funds under this strategy are subject to a mortgage that shall contain recapture provisions which provides for shared appreciation between the buyer(s) and the Highlands County HHRP Program. The amount due Highlands County upon sale or transfer of the property shall be determined by calculating the sum of the principal balance of the HHRP loan and 50% of the appreciated value. The appreciated value shall be the difference between the purchase price at the time of purchase and the sales price at the time of sale, less the value of permitted improvements and real estate sales commission.

The interest rate for all Buy Down Loans will be zero percent (0%). Loans shall be payback up to 30 years.

For purchase assistance with rehabilitation, all of what was described above is used.

If the property is transferred, sold, rented, refinanced for purposes of a “cash-out” option or no longer the principal place of residence of the buyer, the balance and shared appreciation is immediately due and owing to the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities.

All properties assisted with Homeowner Partnership funds must be located in Highlands County and have potable water, sewer or septic and utilities available. If public water and/or sewer are available to the site, the property must connect to the public supply.

- f. Recipient Selection Criteria:  
Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the

advertisement of the HHRP NOFA, from all applicants meeting the selection criteria.

- g. **Sponsor Selection Criteria:**  
If applicant sponsor is a nonprofit, it must have received a tax-exempt ruling from the Internal Revenue Service under Section 501(c)(3) or (4) of the Internal Revenue Code. It must have financial accountability standards that permit the Housing Department to account for and audit the awarded funds. It must have in its By Laws, or in its Articles of Incorporation, a statement that one of its goals is to provide affordable housing.

Both for-profit and not-for-profit organizations must have a “Certificate of Good Standing” from the Florida Division of Corporations. The Housing Department will verify the certificate by examining the web site of the Florida Department of State, Division of Corporations.

Applications will be awarded based upon the sponsor’s demonstrated capability and capacity, experience and ability to partner with both public and private sector entities and its willingness to employ personnel from the WAGES and the Workforce Development Initiatives Program.

- h. **Additional Information:**  
Mobile homes are not eligible for purchase under the Homeowner Partnership.

**C. Name of the Strategy: CDBG Housing Rehabilitation for Very Low and Low Income Applicants**

- a. **Summary of the Strategy:**  
This strategy is established to support housing rehabilitation and demo/rebuilds for Low to Moderate Income households who reside in single family, owner occupied dwellings within Highlands County. This strategy will be used in conjunction with one half of the construction funds from the Highlands County 2005 Small Cities Community Development Block Grant program funding.
- b. **Fiscal Years Covered:** State Fiscal Years 2005 – 2007
- c. **Income Categories to be served:**  
Assistance will be provided to Low and Moderate Income households that meet the income limits as defined by *Florida Statutes*.

- d. Maximum award as noted on the Hurricane Housing Goals Chart: The maximum award per Low to Moderate Income dwelling may not exceed \$50,000.
  
- e. Terms, Recapture and Default:  
Housing Rehabilitation Program funds will be used as a match for the CDBG Housing Rehabilitation Program. A maximum of \$50,000 per house will be allotted to HHRP eligible Low to Moderate homeowners participating in that program. A mortgage and note is required for each funding source. The CDBG mortgage is provided to the homeowners and will be placed on the properties in the name of the Highlands County Board of County Commissioners. The CDBG mortgage reduces 1/5 per year. The mortgages are forgiven after five (5) years if the owner continues to occupy the home as the principal residence. If the property is transferred, sold, rented, refinanced for purposes of a “cash-out” option or no longer the principal place of residence of the owner (client) before five (5) years has elapsed, the remaining balance (prorated portion) is immediately due and owing the Highlands County Board of County Commissioners. The HHRP mortgage and note will be in the form of a Life Estate to the applicant.

For those Moderate Income homeowners (80% of Median Family Income (MFI)), a deferred principal payment, zero percent (0%) interest rate, non-amortizing second mortgage due upon the sale, transfer or disposition of the property either voluntary or involuntary, or when homeowner ceases to occupy the home as a principal residence representing HHRP funds is provided to the homeowners and is placed on the properties in the name of the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities.

The County reserves the right to inspect the home during this period and it has the right to require immediate payment if the home is not maintained to the Florida Standard Housing Code.

- f. Recipient Selection Criteria:  
Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the advertisement of the HHRP NOFA and the contractual agreement between the Florida Department of Community Affairs and the Highlands County BCC, from all applicants meeting the selection criteria.



- Preference will be given to the elderly (age 65 and over) and/or physically impaired households whose income is in the Very Low to Low Income categories (<80% of MFI).
- Applicant must own and live in the housing unit as their principal place of residence at the time of application.
- The applicant must prove ownership of the property. Providing proof is an owner responsibility and expense.
- The home must be located in Highlands County.
- The appraised value of the home cannot exceed the maximum sales price allowed by the SHIP Program.
- The applicant may not be delinquent on any debt owed to Highlands County.
- Applicant may not be delinquent on mortgage payments.

g. Sponsor Selection Criteria, if applicable:

The County will administer this Strategy. The County will procure pre and post-home inspections (to include inspection for lead-based paint in homes built before 1978 or housing children under age 6 (to comply with CDBG requirements) and work write ups. Bids will be accepted from qualified nonprofit organizations and/or for profit contractors.

The County will pre-qualify contractors and advertise for bids for the construction services. Bids will be accepted from qualified nonprofit organizations and/or for-profit contractors. If the low bid is not chosen, the chosen bid must be within 15% of the low quote.

There shall be a contract required between the owner and the named contractor outlining the repairs, timing of the repairs, and warranties, if any. Upon completion of specified phases of the work, the contractor can submit requests for draws or a single invoice for payment upon completion of the work. The County will pay the contractor upon satisfactory inspection of the repairs by the County.

h. Additional Information:

Mobile homes are not eligible for rehabilitation. Applicants living in dilapidated or damaged mobile homes and homeowners living in FEMA trailers are eligible to apply for demo/rebuild.

**D. Name of the Strategy: Disaster Mitigation/Recovery Program**

a. Summary of the Strategy:

HHRP funds may be used to provide assistance to Very Low, Low and Moderate Income households whose homes are no longer accessible or habitable as a result of the Hurricanes of 2004.

Funds may be used to provide assistance for relocation cost in the form of temporary rental assistance and to relieve the applicant of a mortgage. HHRP funds cannot be used remove lands from the housing market. Therefore, these funds cannot be used to purchase undesirable land.

- b. Fiscal Years Covered: State Fiscal Years 2005 – 2007
- c. Income Categories to be served:  
Assistance will be provided to Very Low, Low and Moderate income households that meet the income limits as defined by *Florida Statutes*.
- d. Maximum award as noted on the Hurricane Housing Goals Chart:  
Up to \$50,000
- e. Terms, Recapture and Default:  
The Disaster Mitigation/Recovery funds will be in the form of a grant and will not be recaptured.
- f. Recipient Selection Criteria:  
Applications will be selected on a first come first serve basis to persons with damage from the Hurricanes of 2004. Each applicant will be considered on a case by case basis.
- g. Sponsor Selection Criteria, if applicable:  
The Housing Department will administer this strategy.
- h. Additional Information: Temporary rental assistance may be provided to the applicant during the period of time when both rent and a mortgage is required of the applicant.

**E. Name of Strategy: Rental Development Program**

- a. Summary of the Strategy:  
SHIP HHRP funds may be used as part of the Local Contribution when participating in such programs as, but not limited to, the Federal Housing Credits, McKinney Act Funding, and the Florida State Apartment Incentive Loan (SAIL) Programs and USDA Programs to construct or rehabilitate multi-family rental housing developments. The Housing Department will use SHIP HHRP funds to meet the Local Contribution or match that is required to permit the development to be funded by the state or federal programs designed for the development of rental housing.
- b. Fiscal Years Covered: State Fiscal Years 2005 – 2007.

- c. **Income Categories to be served:**  
Assistance will be provided to Very Low, Low and Moderate Income households that meet the income limits as defined by *Florida Statutes*.
  
- d. **Maximum Award:**  
The maximum amount of SHIP HHRP funds that may be received for any one development will be \$10,000 per unit, pending funding availability, for the purchase, construction and/or rehabilitation of temporary, transitional, or permanent rental housing.
  
- e. **Terms, Recapture and Default:**  
The loan to the developer will be a Deferred Payment Loan for fifteen (15) years at a 1% to 5% interest rate, depending upon cash flow of the project. Recipients who offer the rental housing for sale before 15 years or who 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. If a nonprofit agency is not interested in purchasing the property, the property may be sold and the balance of the loan will be recaptured. The Housing Department will also be responsible for the annual monitoring necessary to insure that rents remain affordable per Chapter 67-37.005(6)b(7) and 67.37.015(3) of the Florida Administrative Code.
  
- f. **Recipient Selection Criteria:**  
Applicants must meet the following eligibility criteria in order to occupy a SHIP HHRP funded unit or receive assistance from eligible program sponsors:  
Tenants must be Very Low, Low Income or Moderate Income as defined in Chapter 67-37.005(6)b(7) and 67.37.015(3) of the Florida Administrative Code adjusted to Family Size for the current year in which the applicant applies.  
  
The developer will select the tenants who will lease the units using their criteria, provided it is consistent with the requirements of Section 420.9075.
  
- g. **Sponsor Selection Criteria:**  
Potential sponsors must submit a proposal describing the proposed rental housing; conduct one neighborhood meeting; provide a letter of support from the local government where the development is located; and designate a minimum of 5% of the units for Special Needs households.

Special needs households are defined as persons who are elderly, developmentally disabled, mentally ill, substance abusers, runaway and abandoned children, victims of domestic violence, farmworkers, disabled adults, homeless individuals or persons with HIV and/or AIDS.

All sponsor applicants will be required to undergo a credit underwriting review process.

Eligible property/buildings shall be located in Highlands County, including any incorporated area.

Eligible property must comply with the Building Construction Standards in Chapter 553 *Florida Statutes*. An agreement will be required between the sponsor and the County to ensure a quality-housing product.

All work must be complete and the building occupied by eligible clients prior to the close of the grant from which these funds are taken.

Final invoices must be submitted for reimbursement prior to May 1st of the grant year from which these funds are taken.

Applications will be selected using predetermined criteria such as, but not limited to site control and project feasibility. Need will be determined by the 2004-5 Avon Park Housing Authority/Highlands County Housing Assessment Study (updated annually) and developer's market study,

h. Additional Information:

Mobile Homes are not considered eligible properties.

*Disallowed expenditures include but are not limited to the following:*

- Office expenses, salaries, other overhead expenses or operational expenses.
- "Bad Debts" losses arising from uncollectible accounts and other claims and related costs.
- "Interest and Other Financial Costs" - interest on borrowing, bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith.
- "Fines and Penalties" - costs resulting from violations of, or failure to comply with Federal, State and/or local laws or regulations.
- "Contingencies" - contributions to a contingency reserve or any similar provisions for unforeseen events.

V.

**EXTREMELY LOW INCOME STRATEGY:  
CDBG Housing Rehabilitation for ELI Households**

- a. Summary of the Strategy:  
This strategy is established to support housing rehabilitation and demo/rebuilds for Extremely Low Income households who reside in single family, owner occupied dwellings within Highlands County. This strategy will be used in conjunction with one half of the construction funds from the Highlands County 2005 Small Cities Community Development Block Grant program funding.
  
- b. Fiscal Years Covered: State Fiscal Years 2005 – 2007
  
- c. Maximum award as noted on the Hurricane Housing Goals Chart:  
The maximum award per ELI dwelling may not exceed \$50,000.
  
- d. Terms, Recapture and Default:  
Housing Rehabilitation Program funds will be used as a match for the CDBG Housing Rehabilitation Program. A maximum of \$50,000 per house will be allotted to HHRP eligible ELI homeowners participating in that program. A mortgage and note is required for each funding source. The two mortgages are provided to the homeowners and will be placed on the properties in the name of the Highlands County Board of County Commissioners. The mortgage reduces 1/5 per year. The CDBG mortgage is forgiven after five (5) years if the owner continues to occupy the home as the principal residence. If the property is transferred, sold, rented, refinanced for purposes of a “cash-out” option or no longer the principal place of residence of the owner (client) before five (5) years has elapsed, the remaining balance (prorated portion) is immediately due and owing the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities. The HHRP mortgage and note will be in the form of a Life Estate to the applicant.  
  
The County reserves the right to inspect the home during this period and it has the right to require immediate payment if the home is not maintained to the Florida Standard Housing Code.
  
- e. Recipient Selection Criteria:  
Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the advertisement of the HHRP NOFA and the contractual agreement between the Florida Department of Community Affairs and the

Highlands County BCC, from all applicants meeting the selection criteria.

- Preference will be given to the elderly (age 65 and over) and/or physically impaired households whose income is in the Extremely Low (30% of MFI).
- Applicant must own and live in the housing unit as their principal place of residence at the time of application.
- The applicant must prove ownership of the property. Providing proof is an owner responsibility and expense.
- The home must be located in Highlands County.
- The appraised value of the home cannot exceed the maximum sales price allowed by the SHIP Program.
- The applicant may not be delinquent on any debt owed to Highlands County.
- Applicant may not be delinquent on mortgage payments.

f. Sponsor Selection Criteria, if applicable:

The County will administer this Strategy. The County will procure pre and post-home inspections (to include inspection for lead-based paint in homes built before 1978 or housing children under age 6 (to comply with CDBG requirements) and work write ups. Bids will be accepted from qualified nonprofit organizations and/or for profit contractors.

The County will pre-qualify contractors and advertise for bids for the construction services. Bids will be accepted from qualified nonprofit organizations and/or for-profit contractors. If the low bid is not chosen, the chosen bid must be within 15% of the low quote.

There shall be a contract required between the owner and the named contractor outlining the repairs, timing of the repairs, and warranties, if any. Upon completion of specified phases of the work, the contractor can submit requests for draws or a single invoice for payment upon completion of the work. The County will pay the contractor upon satisfactory inspection of the repairs by the County.

g. Additional Information:

Mobile homes are not eligible for rehabilitation. Applicants living in dilapidated or damaged mobile homes and homeowners living in FEMA trailers are eligible to apply for demo/rebuild.

**IV. COMMUNITY PLANNING STRATEGY:**

a. Summary of the Strategy:

The Highlands County Board of County Commissioner’s Housing Department is a full partner in the hurricane recovery efforts of the municipalities in Highlands County. Through interlocal agreement, the Housing Department is currently administering the HOME Again contracts for both the City of Sebring and the City of Avon Park.

The Housing Department has been the catalyst for the formation of the grass roots organization, ReBuilding Together, Inc. and the development of a fledgling Community Development Corporation with the Avon Park Housing Authority. The Housing Department is currently working to develop a New Community Land Trust.

Although neither the Town of Lake Placid nor the two cities (Avon Park and Sebring) receive a SHIP allocation, residents of those areas are encouraged to apply for all programs administered by the Highlands County Housing Department with the exception of Small Cities CDBG.

**V. ADMINISTRATIVE BUDGET:**

a. **Provide a brief administrative summary of expenses:**

Administrative funds will be used to provide salaries, staff needed to manage the large number of applicants for all programs, office supplies and equipment, advertising (newspaper and radio and to update the Housing Program Brochure), a vehicle and travel to workshops and in the field requirements.

b. **Up to 15% of the allocation may be used for administrative expenses relating to direct program administration. Provide information below:**

Fiscal Year	
Salaries and Benefits	\$375,596
Office Supplies and Equipment	\$50,000
Travel Workshops, etc	\$ 5,000
Advertising	\$10,000
Other (define)	
Vehicle	<u>\$22,000</u>

**VI. Explain any issues outstanding for compliance or non-compliance with the State Housing Initiatives Partnership (SHIP) Program: NONE**

**VII. EXHIBITS:**

**A Timeline for Encumbrance and Expenditure**

**B Hurricane Housing Goals Chart (HHGC) For Each Fiscal Year Covered**

**C. Certification Page**

**DI. Program Information Sheet**

**E. Community Planning Documentation:**  
Letters, resolutions detailing the community planning agreement, or interlocal agreement

**F. Adopting Resolution** – original signed, dated, witnessed or attested adopting resolution