

# **OKEECHOBEE COUNTY**

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## **HURRICANE HOUSING RECOVERY PROGRAM**

### **HURRICANE HOUSING ASSISTANCE PLAN**



**FLORIDA HOUSING FINANCE CORPORATION**  
**HURRICANE HOUSING DELIVERY GOALS CHART**  
**STRATEGIES FOR THE HURRICANE HOUSING ASSISTANCE PLAN FOR STATE FISCAL YEAR: 2005/06**

Sources of Funds:	HHRP	\$5,380,098
	Community Planning Partnership	\$717,346
	Subtotal	\$6,097,444
	ELI Funds	\$1,076,020
	<b>TOTAL AVAILABLE FUNDS:</b>	<b>\$7,173,464</b>

Name of Local Government: Okeechobee County

HOME OWNERSHIP STRATEGIES	ELI Units	Max. Award	VLI Units	Max. Award	LI Units	Max. Award	MI Units	Max. Award	New Construction	Rehab/Repair	Without Construction	Total ELI Dollars	D	E	F			
									HHRP & Partnership Dollars	HHRP & Partnership Dollars	HHRP & Partnership Dollars		Total HHRP & Partnership Dollars	Total Percentage	Total Units			
HOME OWNERSHIP Replacement			13	\$ 95,000.00	11	\$95,000.00	9	\$ 95,000.00	\$ -	\$ 2,863,123.00	\$ -	\$ -	\$ 2,863,123.00	47%	33			
New Home Purchase (Displaced Renters)			6	\$ 82,500.00	5	\$82,500.00	3	\$ 82,500.00	\$ 1,000,000.00	\$ -	\$ -	\$ -	\$ 1,000,000.00	16%	14			
Volunteer Assisted Rehabilitation			6	\$ 40,000.00	6	\$40,000.00	5	\$ 40,000.00	\$ -	\$ 584,745.00	\$ -	\$ -	\$ 584,745.00	10%	17			
									\$ -	\$ -	\$ -	\$ -	\$ -	0%	0			
									\$ -	\$ -	\$ -	\$ -	\$ -	0%	0			
									\$ -	\$ -	\$ -	\$ -	\$ -	0%	0			
									\$ -	\$ -	\$ -	\$ -	\$ -	0%	0			
<b>Subtotal 1 (Home Ownership)</b>	<b>0</b>		<b>25</b>		<b>22</b>		<b>17</b>		<b>\$ 1,000,000.00</b>	<b>\$ 3,447,868.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,447,868.00</b>	<b>73%</b>	<b>64</b>			
RENTAL STRATEGIES	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			
New Rental Housing	0	\$ -	0	\$ -	7	\$90,000.00	5	\$ 90,000.00	\$ 900,000.00			\$ 900,000.00	\$ 900,000.00	15%	12			
ELI Rental Housing	9	#####	0	\$ -	0	\$ -	0	\$ -	\$ 968,418.00			\$ 968,418.00	\$ 968,418.00	16%	9			
														0%	0			
														0%	0			
														0%	0			
<b>Subtotal 2 (Non-Home Ownership)</b>	<b>9</b>		<b>0</b>	<b>\$ -</b>	<b>7</b>		<b>5</b>		<b>\$ 1,868,418.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,868,418.00</b>	<b>\$ 1,868,418.00</b>	<b>31%</b>	<b>21</b>			
Administration Fees													\$ 857,177.00	12%				
Admin. From Program Income																		
Home Ownership Counseling													\$ -	0%				
<b>GRAND TOTAL</b>	<b>9</b>	<b>\$ -</b>	<b>25</b>	<b>\$ -</b>	<b>29</b>		<b>22</b>		<b>\$ 2,868,418.00</b>	<b>\$ 3,447,868.00</b>	<b>\$ -</b>	<b>\$ 968,420.00</b>		<b>0.00%</b>	<b>85</b>			
<small>Add Subtotals 1 &amp; 2, plus all Admin. &amp; HO Counseling</small>																		
<b>Percentage Construction/Rehab</b>													<small>Calculate Constr./Rehab Percent. by adding Grand Total Columns then divide by Annual Allocation Amt.</small>					
<b>Maximum Allowable Purchase Price:</b>													<b>New</b>	\$ 189,682.00	<b>Existing</b>	\$ 189,682.00		

Allocation Breakdown	Amount	%
Very-Low Income	#####	30.0%
Low Income	#####	30.0%
Moderate Income	#####	28.1%
<b>TOTAL</b>	<b>#####</b>	<b>88.1%</b>

Projected Program Income:	\$ 100.00	Max Amount Program Income For Admin:	\$ 5.00
Projected Recaptured Funds:	\$ -		
Distribution:	\$ 7,173,464.00		
<b>Total Available Funds:</b>	<b>\$ 7,173,564.00</b>		

**I. PROGRAM DESCRIPTION**

**A. Name of County: Okeechobee County**

Base Allocation Request: \_\_\_\_\_ \$5,380,098 \_\_\_\_\_

Extremely Low Income Request: \_\_\_\_\_ \$1,076,020 \_\_\_\_\_

Community Planning Request: \_\_\_\_\_ \$717,346 \_\_\_\_\_

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

Okeechobee County will serve the City of Okeechobee population because the City is not a SHIP-eligible municipality. Rebuilding Okeechobee After Disaster (ROAD) will participate in the Community Collaboration allocation. Other agencies are expected to participate in the program under the base allocation, and possibly the extremely low income allocation.

**II. HHRP HOUSING STRATEGIES**

Provide Description:

**A. Owner Occupied Housing Replacement**

**a. Summary of the Strategy:**

This strategy will provide financing and technical assistance to **very low, low and moderate income** homeowners who wish to replace their single family homes that were severely damaged by the 2004 hurricanes. The assistance under this strategy is intended to apply to homeowners whose homes are not feasible for rehabilitation based upon structural conditions or rehabilitation costs exceeding limits for HHRP rehabilitation assistance plus owner contributions. The HHRP assistance will include the necessary demolition, clearance and construction costs, septic system installation or repair, potable water well system installation or repair, or connection to a central water and/or wastewater system, and other associated costs such as title searches, surveys, soil testing, recording fees and associated taxes.

The replacement house location must be on the site of the damaged house unless the current site is not suitable for the replacement dwelling and the homeowner owns an alternate site that is more suitable. An example of this would be where the existing home is located in a floodplain, or the zoning or lot size is not appropriate, or there is some other compelling reason not to replace on the current site. The newly constructed home will be sized similarly to the original house where feasible. The maximum value of the replacement home, including land value, will not exceed the maximum new home value allowed by the Florida Housing Finance Corporation under the SHIP program for Okeechobee County.

**b. Fiscal Years Covered:**

This owner occupied housing replacement strategy will be implemented during all three state fiscal years of the HHRP, or until funds are exhausted.

**c. Income Categories to be served:**

Low, very low and moderate income households will be served.

**d. Maximum award as noted on the Hurricane Housing Goals Chart:**

The per-household award limit is \$95,000. This limit may be increased by the Board of County Commissioners if necessary due to rising construction costs.

**e. Terms, Recapture and Default:**

The financial assistance will be in the form of deferred payment loan agreements with terms as follows:

<u>Amount of Assistance</u>	<u>Term</u>
\$1 - \$25,000	5 years
\$25,001 - \$30,000	7 years
\$30,001 - \$40,000	10 years
\$40,001 - \$50,000	15 years
\$50,001 - \$95,000	20 years

If the homeowner defaults on the deferred payment loan conditions during the first five years, the entire loan amount will be due and payable immediately. After five years, the loan amount will be forgiven in equal monthly amounts beginning on the thirty first day after the five years, and continuing on that same day each month, so that the full amount of the loan is forgiven at the end of the loan period. For example, for a fifteen year loan, 1/120 of the loan amount would be forgiven each month after the initial five year period.

If the homeowner ceases to reside in the house as his/her primary permanent residence for a period of more than 60 days (including death), or transfers ownership of the property (through sale, gift, foreclosure or other means), the owner shall be in default of the loan agreement. If more than one owner-occupant is party to the loan agreement, only one of the original owner occupants is required to maintain owner occupancy as primary residence. Additional conditions of default will include failure to maintain full homeowner insurance coverage on the home with the County listed as a mortgage holder, failure to properly maintain the home according to applicable state and County codes, and misrepresentation by the owner(s) that results in award of HHRP financing for which the owner did not qualify.

The County may, at its discretion, waive the repayment provision of the loan if the default is solely a result of the death of the sole owner of the home (who was living in the home at the time of death), and the loan is assumed by an adult family member or adult appointed by the court, who obtains custody of the deceased owner's minor child(ren) who lived in the home at the time of the owner's death. This provision will apply if the child(ren) continue to live in the home as his/her/their primary permanent residence. The County may also allow assumption of the loan by an adult legal heir of the property, only if that heir resided in the home as his/her primary permanent residence at

the time of the owner's death, and the heir's income is within the low income limit in effect at the time of the assumption.

**f. Recipient Selection Criteria:**

The HHRP Administrator will divide the completed, eligible applications into the very low, low, and moderate income categories. Within the income categories, the applications will be ranked according to a priority system. First priority will be applicants who are currently displaced from their homes due to hurricane damage. Secondary priority will be those applicants who have not received more than \$5,000 in housing assistance within the past five years, from the County or other government program such as weatherization, excluding loans requiring repayment. Within that group of applicants, and/or to rank the third tier of applicants, a scoring system may be used. One point will be assigned for each factor applicable to the owner and permanent residents of the home: a) owner completely disabled, b) completely disabled dependent residing in the home, c) very low income owner, d) owner aged 65 or older.

Applicants must be 21 years of age or older, and U. S. citizens or legal residents of the United States, with status extending a minimum of 1 year after the projected date of assistance. Applicants must currently live in the home, and must possess title to the home, with no other owners except occupants of the home. In cases where the condition of the home precludes occupancy, applicants must demonstrate that they were displaced from the home due to the storm damage and that they intend to re-occupy the home upon completion of construction.

The home must be the applicant's permanent primary residence, as verified by homestead exemption status, either current or at the time of the storm if displaced. The applicant must not own any other residential property which is in a habitable condition. A title search will be conducted on each application prior to requesting construction bids. If the title search reveals additional owners other than occupants of the property, the applicant may take actions to obtain title from the other owners. If this occurs in a timely manner and sufficient funds remain to provide assistance, the application may be reconsidered for approval.

In addition to providing information relating to income eligibility and ownership, the applicant must also provide proof of insurance on the dwelling. If the owner cannot obtain a homeowner fire and casualty insurance policy due to the poor condition of the dwelling, the owner must provide a deposit on an insurance policy that is to be issued contingent upon the construction being performed. The deposit must be an amount equal to six months of coverage for not less than the HHRP financing amount, plus any prior debt against the property. The homeowner must also obtain flood insurance for the complete construction value of the home, if the home is located in a 100-year floodplain. The hazard and flood insurance policies must be maintained by the owner for the full term of the HHRP deferred payment loan, and must list the County as a mortgagee.

Applicants must have no past-due obligations against the home, including mortgage payments, taxes, insurance, special assessments or liens that would jeopardize the continued owner occupancy of the dwelling. All past-due payments for utilities, garbage collection, and other similar expenses tied to occupancy of the home must be paid prior to bidding the work to be performed on the home.

Applicants must declare all assistance they have received for hurricane damage and relief, except funds that were not related to housing expenses. This includes private insurance and FEMA funds, as well as funds from other agencies. The HHRP Administrator will evaluate the applicant's use of these funds. Insurance, FEMA and other agency housing funds that have not been used for repairs, clean up, relocation or temporary housing expenses must be contributed to the required HHRP construction. If the applicant no longer has the funds that were not used for legitimate hurricane housing expenses, the applicant must provide an equal amount of money from another source. The total amount of funds that are to be provided by the owner (insurance, FEMA and/or other funds) must be deposited with the County at the time of the HHRP financing award.

Prior to proceeding to the bid package development stage, the applicant must have the property in compliance with all applicable local codes such as care of premises, weeds and trash. Compliance is the responsibility of the applicant.

**g. Sponsor Selection Criteria, if applicable:**

Not applicable, because the County will implement this strategy through its administrative consultant contract.

**h. Additional Information:**

**none**

**B. New Home Purchase**

**a. Summary of the Strategy:**

New, affordable single family homes will be constructed.

**b. Fiscal Years Covered:**

This new construction homebuyer strategy will be implemented during each of the three fiscal years, or until funds are exhausted.

**c. Income Categories to be served:**

This strategy will serve very low, low and moderate income households.

**d. Maximum award as noted on the Hurricane Housing Goals Chart:**

The maximum amount of HHRP funds available to any agency/developer will not exceed \$82,500 per housing unit.

**e. Terms, Recapture and Default:**

Various local nonprofit agencies have differing operations and financing means, resulting in differing forms of sales to eligible buyers. The County may allow the selected agency to retain the HHRP funds it recaptures through sale of homes, if the agency will use the funds to continue development of affordable housing in Okeechobee County in a manner that is comparable to the initial use of the funds. The participation of any agency will be subject to the terms of an agreement authorized by the County and in compliance with applicable state regulations.

**f. Recipient Selection Criteria:**

This strategy will be available for **very low, low and moderate income** legal residents of Okeechobee County who have not owned a home within the past three years. Persons who owned a mobile home, but not the land, will be eligible if the mobile home is in serious disrepair. Preference must be offered to qualified applicants who were living in Okeechobee County in 2004 and whose housing was seriously damaged by the 2004 hurricanes. Applicant selection and recapture of funds will be determined by the agency's policy, as approved by the County. The County will require the agency to allocate the funds according to the income category percentages specified in the agreement, so the County can maintain its required income category set-asides for very low and low income households.

**g. Sponsor Selection Criteria, if applicable:**

As of June 2005, the Board of County Commissioners intends to solicit proposals from nonprofit agencies that have experience in developing affordable housing. Okeechobee Non-Profit Housing and Okeechobee County Habitat for Humanity have expressed interest in implementing this strategy. The funding for this strategy may be divided among these or other agencies as deemed appropriate by the County, considering factors such as the agency's experience in developing affordable housing, the quality of the proposed product, the agency's ability to perform within the three year HHRP period, the agency's financial and legal status, cost-reasonableness of the proposal, and other factors relevant to the strategy.

**h. Additional Information:**

none

**C. Rental Housing Development**

**a. Summary of the Strategy:**

Due to a local shortage of affordable housing in standard condition, the HHRP will provide funding for new rental housing construction.

**b. Fiscal Years Covered:**

Rental housing will be developed during each of the three fiscal years, or until funds are exhausted.

**c. Income Categories to be served:**

This strategy will serve low and moderate income households. Very low income households may also be served, but the County believes that the most serious need for new affordable rental housing will be in the low and moderate income categories.

**d. Maximum award as noted on the Hurricane Housing Goals Chart:**

The maximum amount of HHRP assistance available will be \$90,000 per unit, which assumes that

no other financing subsidy is attached to the unit.

**e. Terms, Recapture and Default:**

The HHRP assistance will be issued as a fifteen year deferred payment loan. The loan may be disbursed during construction, at the County's discretion. The owner will be required to rent the specified number of rental units to low and moderate income persons at affordable rent levels for the determined affordability period. Failure to keep the units rented as committed will be a default of the loan agreement, and will require repayment of the loan. Sale or other transfer of ownership of the property will also be a default, although the County may, at its discretion, waive this provision if the new owner assumes and adheres to the requirements of the loan agreement. Default will require repayment of the entire loan amount, unless the County, at its discretion, agrees to forgive a portion of the loan or to collect only a portion of the loan amount contingent upon the owner's partial compliance with the loan agreement.

**f. Recipient Selection Criteria:**

Renters will be selected by the developer/owner. Households that have been displaced as a result of the 2004 hurricanes will be referred to the owner by FEMA, the County, DCA, and other agencies.

**g. Sponsor Selection Criteria, if applicable:**

The County will seek proposals from entities interested in developing, owning and maintaining rental housing that will be rented to **low and moderate income** households at affordable rent levels (consistent with current SHIP regulations) for a period of not less than fifteen years. The County may select an entity that will combine the HHRP funding with other funds available specifically for affordable rental housing development, or may choose an entity that will only utilize HHRP funds and private funding. The entity may be either for-profit or not-for-profit. However, the applicant must specify how the rental units will be managed and continued to be rented to income eligible persons at affordable rates for the specified period of time.

The County will review proposals to determine that they contain required and reasonable development costs, are financially sound (projected allowable revenues from low and moderate income tenants, measured against debt, maintenance, taxes, insurance, management, vacancy, etc), meet local zoning and land use requirements, have additional financing arranged as necessary, and that HHRP funds are necessary in order to make the project feasible. The County may seek technical assistance from an outside source during the proposal review and selection process.

Proposals that pass the initial feasibility review will be ranked based upon criteria such as:

1. Sponsor's demonstrated ability to complete the project within the available time period,
2. Sponsor's track record (if any) of satisfactory construction, management, and compliance with commitments,
3. Net increase in affordable units for low and moderate income persons directly resulting from the HHRP investment.
4. The project's compatibility with the community, considering architecture, size, location, etc.



**h. Additional Information:**

none

**III. Extremely Low Income Strategy:**

**a. Strategies from Section II to be included to serve ELI**

The County will seek proposals from entities that will construct, own and manage rental housing units. The units must be rented to extremely low income households at affordable rental rates for ten years. The development may include these HHRP-subsidized units only, or these units may be integrated into a larger development that includes housing for other income levels.

**b. Recipient Selection Criteria:**

Renters will be selected by the developer/owner. Households that have been displaced as a result of the 2004 hurricanes will be referred to the owner by FEMA, the County, DCA, and other agencies.

**c. Additional Information:**

**The maximum amount of HHRP assistance available is \$107,602 per unit**, which assumes that no other financial subsidy will be included. Assistance will be in the form of a **ten year deferred payment loan**, which will be forgiven at the end of the term if the entity complies with the conditions of the agreement. Failure to keep the units rented as committed will be a default of the loan agreement, and will require repayment of the loan. Sale or other transfer of ownership of the property will also be a default, although the County may, at its discretion, waive this provision if the new owner assumes and adheres to the requirements of the loan agreement. Failure to properly maintain the property or keep it insured for the full value, listing the County as mortgage holder, will also be conditions of default. Default will require repayment of the entire loan amount, unless the County, at its discretion, agrees to forgive a portion of the loan or to collect only a portion of the loan amount contingent upon the owner's partial compliance with the loan agreement.

The sponsor evaluation and selection process, and the HHRP financing, will be essentially the same as that of the Rental Housing Development Strategy. The ELI strategy will be initiated during the first state fiscal year, and will be completed (including occupancy by ELI households at affordable rent levels) by the end of the third fiscal year.

**IV. Community Planning Strategy:**

**a. Summary of the Strategy (including organizations involved, roles):**

**Volunteer-Assisted Housing Rehabilitation**

Rebuilding Okeechobee After Disaster (ROAD) is the local not-for-profit agency that was formed to assist with disaster recovery. The current focus of this agency is repair of owner occupied housing that was damaged by the 2004 hurricanes. ROAD's membership includes representatives of the Red

Cross, Salvation Army, Habitat for Humanity, the Board of County Commissioners staff, the City of Okeechobee, local churches, faith-based disaster relief agencies, and other interested citizens. ROAD will utilize funding from Volunteer Florida to pay for materials and other costs of repairs, and will direct volunteer repair efforts. The HHRP will provide funding for necessary rehabilitation costs as necessary, primarily for permits and licensed subcontractors to do certain tasks as required, in conjunction with the volunteers.

ROAD may implement the entire strategy, or another agency may be involved as needed.

**b. Strategies from Section II to be included in Community**

**Collaboration:**

None. Housing rehabilitation is included only under this allocation.

**c. Additional Information:**

**The HHRP assistance limit for rehabilitation will be \$40,000 per dwelling, and will be available to very low, low and moderate income homeowners.** This does not include the materials and/or labor provided from other sources. The value of the property must not exceed the limit set by the state for existing home values under the SHIP program.

The HHRP financial assistance will be in the form of deferred payment mortgage loans issued as follows:

<u>Amount of Assistance</u>	<u>Term</u>
\$1 - \$25,000,	5 years
\$25,001 - \$30,000	7 years
\$30,001 - \$40,000	10 years

The loan amount will include all of the HHRP funds paid for the project costs (which may include title search, recording fees, documentary stamp taxes, etc.). The terms and conditions of the deferred payment loans for rehabilitation will be the same as for owner occupied housing replacement, except that the provision for forgiveness will begin after the first month. Loans will be forgiven on a monthly pro-rated basis throughout the term of the loan, so that at the end of the term, the loan is forgiven.

Applicant eligibility will be the same as for the replacement program, except that the home must be feasible for rehabilitation considering costs and structural conditions and permitting requirements. ROAD may initiate the strategy using cases that the agency has on file, but the eligibility must be verified according the HHRP program requirements. Additional applications will be accepted after the advertisement period. If it is apparent that the applicant pool is sufficient to utilize all HHRP funds, the HHRP Administrator may authorize the agency to suspend acceptance of new applications.

The HHRP Administrator will review approved and potential rehabilitation cases to verify that the committed percentage of very low and low income funds will be maintained. The rehabilitation must

achieve the results contracted in the HHRP grant award, within the available grant period. This achievement will govern the application approval process. The agency will have discretion in ranking the applications as long as the income category funding percentages are maintained, and the ranking is not based upon illegally discriminatory factors or conflicts of interest.

Prior to receiving HHRP assistance, the applicant must have the property in compliance with all applicable local codes such as care of premises, weeds and trash. Compliance is the responsibility of the applicant.

If the structural condition of a dwelling is such that the agency believes there is a possibility of rehabilitating the dwelling within the applicable cost limit plus additional funds from the owner, the home will be inspected and a work plan and specification write-up will be prepared. The agency will estimate the cost of the proposed rehabilitation work. If bids are above the cost limit for HHRP funding, the owner or the agency may pay the additional cost for repair. In no case will the home be rehabilitated with HHRP funds unless the applicable code and permitting requirements can be met for the entire project.

This rehabilitation strategy will be implemented during all three state fiscal years of the HHRP, or until funds are exhausted.

**V. Administrative Budget:**

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

Okeechobee County has contracted with a consultant to implement the Hurricane Housing Recovery Program. The Consultant's fee is 10% of the total allocation, which includes all services to manage the entire Hurricane Housing Recovery Program, including field staff. The consultant's fee budget includes 10% (\$107,600) of the Extremely Low Income allocation, \$1 from the Community Collaboration allocation, and \$609,745 from the Base allocation. The agency administering the housing rehabilitation program under the Community Collaboration allocation will receive 15% of the Community Collaboration funds for administration expenses. The County will also contract for community planning services for the Douglas Park community, with a budget of \$25,000 to be taken from the Community Collaboration allocation. The County has reserved \$7,500 for audit expenses.

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

Fiscal Year	2005/06	2006/07	2007/08	TOTAL
Salaries and Benefits	\$ 0	\$0	\$0	\$0
Office Supplies and Equipment	\$ 0	\$0	\$0	\$0
Travel Workshops, etc	\$ 0	\$0	\$0	\$0
Advertising	\$ 0	\$0	\$0	\$0
Other (audit)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 7,500
Other (consultant)	\$239,115	\$239,115	\$239,116	\$717,346
Other (planning)	\$ 25,000	\$	\$	\$ 25,000
Other (nonprofit agency, Community Collaboration)	\$ 35,867	\$ 35,867	\$ 35,868	\$107,602
	<u>\$302,482</u>	<u>\$277,482</u>	<u>\$277,484</u>	<u>\$857,448</u>

**VI. Explain any outstanding compliance issues with the State Housing Initiatives Partnership (SHIP) Program and how those issues are currently being addressed:**

none

**VII. EXHIBITS:**

- A. Hurricane Housing Goals Chart (HHGC) For Each Fiscal Year Covered**
- B. Certification Page**
- C. Program Information Sheet**
- D. Community Planning Documentation:**  
Letters, resolutions or interlocal agreements detailing the community planning agreement: