

Indian River County



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2024-2025, 2025-2026, 2026-2027

Adopted by BCC: January 23, 2024 (Resolution 2024-007)

Approved by FHFC:

Effective: July 1, 2024



Equal Housing Opportunity



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I. Program Details:

A. LG(s)

Name of Local Government	Indian River County
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	N/A

B. Purpose of the program:

- To meet the housing needs of the very low, low, and moderate-income households;
- To expand production of and preserve affordable housing; and
- To further the housing element of the local government's comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2024-2025, 2025-2026, 2026-2027

D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules, and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services, and lead agencies of the local continuums of care.

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 matches 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, 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: SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving 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. Queue List/Priorities: A queue list will be established when applicants apply to the county SHIP program. Those households on the queue list will be contacted by staff when their queue number is reached. The queue list will be maintained with applicants listed in an order that is consistent with the time that their preliminary intake forms were submitted. Queue numbers will be assigned based on that order. Adjustments to the queue order will be made to achieve any established funding priorities as described in this plan.

Priorities for funding described herein apply to all strategies unless otherwise stated in the strategy. The county will accept preliminary intake forms during the advertised "Application Period". All applicants must complete the



SHIP preliminary intake information sheet and submit it to the SHIP office to obtain their queue list number.

Once there is a list of eligible applicants, they will be ranked based on the priorities provided below.

Ranking Priority:

1. Emergency Loans for home repair related to a dire situation that needs to be mitigated immediately to prevent damage to the home or to resolve an immediate health hazard to the occupants.
2. Special Needs Households (until the program’s required percentage has been met) as defined in FS 420.0004.
3. Very low-income and low-income applicants from local Non-profit Affordable Housing Organizations such as Habitat for Humanity and Every Dream Has a Price
4. Other applicants
 - a. Very low income (until the program’s required percentage has been met)
 - b. Low income (until the program’s required percentage has been met)
 - c. Moderate income

J. Discrimination: In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.

K. Support Services and Counseling: Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, and Transportation.

L. 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 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 can be lower but may not exceed 90% of the average area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

M. Income Limits, Rent Limits, and Affordability: The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

“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 to housing, and housing for which a household



devotes more than 30% of its income shall be deemed Affordable if 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 does not exceed those rental limits adjusted for bedroom size.

- N. **Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, 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.
- O. **Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic 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 \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever 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.
- P. **Administrative Budget:** A line-item budget is attached as Exhibit A. The city/county finds that the money deposited in the local housing assistance trust fund is necessary 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(19), 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." The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. **Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Admin. Fee Percentage
Indian River County	Administer the program	10%

- R. **First-time Homebuyer Definition:** For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while*



married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

- S. **Project Delivery Costs:** In addition to the administrative costs listed above, the county will charge a reasonable project delivery cost associated with **Owner Occupied Rehabilitation Loans**, Emergency Repair Loans, and Disaster Mitigation loans not to exceed \$2,750.00 to cover inspection services, preparation of work write-ups, and construction inspections performed by non-salaried employees and non-county employees for eligible properties. For all loans, housing delivery costs will also include but not be limited to recording fees, documentary stamp tax fees, credit report fees, title search fees, partial satisfaction of mortgage recording fees, and counseling fees. These fees will be included in the amount of the recorded mortgage and note.

- T. **Essential Service Personnel Definition (ESP):** **ESP includes** teachers and educators, other school districts, community college and university employees, police and fire personnel, health care personnel, and skilled building trades personnel.

- U. **Green Building:** The county will, when economically feasible as determined by cost comparison by the assigned housing inspector, employ the following Green Building requirements on rehabilitation repairs, emergency repairs, and new construction:
 - 1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
 - 2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - a. Toilets: 1.6 gallons/flush or less;
 - b. Faucets: 1.5 gallons/minute or less; and
 - c. Showerheads: 2.2 gallons/minute or less.
 - 3. Energy Star-qualified refrigerator (for new construction);
 - 4. Energy Star-qualified dishwasher (for new construction);
 - 5. Energy Star-qualified washing machine (for new construction) if provided in units;
 - 6. Energy Star-qualified exhaust fans in all bathrooms; and
 - 7. Air conditioning: Minimum SEER of 14 (or higher if required by code).

- V. **Special Needs:** Indian River County has a robust network of strategic partnerships with esteemed organizations, including the United Way, Career Source, St. Francis Manor, Treasure Coast Homeless Services, and the Economic Opportunities Council. These collaborative efforts are dedicated to providing comprehensive support to residents facing various challenges. Additionally, the County's Human Services



Division offers an array of specialized services, encompassing educational assistance, prescription aid, housing support, and expert case management. These initiatives are meticulously designed to empower clients toward the attainment of self-sufficiency, reflecting our unwavering commitment to fostering community resilience and well-being.

W. Describe efforts to reduce homelessness: The Treasure Coast Homeless Services Council (TCHSC) provides a continuum of care to the homeless population within Indian River County. County staff works with the TCHSC staff to apply for grants, exchange information, and provide assistance as needed.

TCHSC administers the Homeless Management Information System (HMIS). TCHSC provides shelters, rental and utility assistance, supportive services for veteran families, and manages affordable rental properties.

X. Total assets: Cash or non-cash items that can be converted to cash, not including IRA, Keogh, similar retirement savings accounts, and dedicated college savings accounts of an eligible household applying for SHIP assistance, shall not exceed twenty thousand dollars (\$20,000.00).

Y. The maximum active SHIP loans on any property shall not exceed \$80,000, except when utilization of disaster and/or emergency funds is necessary.

Section II. LHAP Strategies:

A. Owner Occupied Rehabilitation Loans	Code 3
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a. Summary of Strategy: SHIP funds will be awarded to owner-occupied households in need of repairs to correct health and safety issues and code violations related to electrical, plumbing, roofing, windows, and other structural items, as well as hurricane hardening activities. A detailed list of rehabilitation work activities allowed or not allowed is included in the Indian River County Guidelines and Procedures for Implementing Strategies of Local Housing Assistance Plan document.

b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027

c. Income Categories to be served: Very low, and low

d. Maximum award: \$ 80,000

e. Terms:

1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
2. Interest Rate: 0%.
3. Years in Loan term: 10 years (5 years if used in conjunction with CDBG funding).
4. Forgiveness: The entire loan amount will be forgiven after 10 years of occupancy (only rehabilitation loans in conjunction with CDBG funding will be forgiven after

5 years or upon the death of the homeowner, whichever comes first).

5. Repayment: Not required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as a primary residence, or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.

In cases where the qualifying homeowner(s) die(s) during the loan term (for loans that are not used in conjunction with CDBG funds), the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

7. Property shall not be eligible to re-apply until after the expiration of the term, except when utilization of disaster and/or emergency rehabilitation funds is necessary.

- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on the timing that preliminary intake information is received with the priorities as described in section I of this plan.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: All work must be performed by licensed and insured contractors.

Applicants applying for rehabilitation assistance loans must also provide a copy of the deed to their home. A complete application and all required documents must be submitted to the SHIP office when an applicant's queue number is reached and contacted by SHIP staff. Provided funding is available, more than one applicant will be pulled from the que list at the same time so that multiple applications can be processed and assistance provided at the same time.

- i. Residential Constriction Mitigation (RCMP):

The county will match SHIP funds with My Safe Florida Home Funds for hurricane-resistant retrofit improvements to owner-occupied site-built homes to reduce potential future hurricane damage. When available, the county shall advertise the availability of My Safe Florida Home funds and accept applications from very low, low, and moderate-income homeowners with homestead exemptions for homes that have insured values not exceeding \$300,000. Applications will be reviewed on a first-qualified, first-served basis.



Eligible retrofit improvement work activities include the following:

1. Improving the strength of the roof deck attachment
2. Creating a secondary water barrier to prevent water intrusion
3. Improving the survivability of the roof covering
4. Bracing gable-ends in the roof framing
5. Reinforcing roof-to-wall connections
6. Upgrading exterior wall opening protections
7. Upgrading exterior doors

B. Purchase Assistance with Rehabilitation Loans	Code 1
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a. Summary of Strategy: SHIP funds will be awarded for down payment and closing costs as well as principal reduction to households to purchase an existing home. An existing home must be in need of rehabilitation to the living space of the home in the amount of at least \$2,500.

- b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award:

Income Category	Purchase Assistance Portion	Rehab Portion	Max. Total
Very Low	\$50,000	\$15,000	\$65,000
Low	\$35,000	\$15,000	\$50,000
Moderate	\$20,000	\$15,000	\$35,000

- e. Terms:
 1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 2. Interest Rate: 0%.
 3. Years in Loan term: 20 years for the Purchase Assistance Portion and 10 Years for the Rehabilitation Portion.
 4. Forgiveness: The entire loan amount will be forgiven after 20 years of occupancy for the Purchase Assistance Portion and 10 years of occupancy for the Rehabilitation Portion.
 5. Repayment: Not required as long as the loan is in good standing.
 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term (20 years for Purchase Assistance Portion and 10 years for Rehabilitation Assistance Portion): sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead



exemption status; failure to occupy the home as a primary residence or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs income groups as described in section I of this plan.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: Applicants must secure a first mortgage from an approved lender in order to participate in the County program .
- i. For additional information, please see the Indian River County Guidelines and Procedures for Implementing Strategies of the Local Housing Assistance Plan.
- j. No existing SHIP mortgage will be subordinated to a refinanced first mortgage unless the following requirements are met:

Requirements for a Refinanced First Mortgage			
Maximum Term Allowed	Maximum Interest Rate Allowed	Maximum First Mortgage Amount Allowed	Maximum Points Allowed
30 Years	It must be a fixed-rate loan, and the interest rate must be lower than the existing first mortgage interest rate.	Not to exceed the original first mortgage amount. Any available equity up to the original mortgage amount may be used for closing costs associated with the refinancing. No cash out to an applicant	For purchase assistance loans, up to 1 point allowed For other loans, up to 2 points allowed

C. Purchase Assistance without Rehabilitation Loans	Code 2
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a. Summary of Strategy: SHIP funds will be awarded for down payment and closing costs as well as principal reduction to households to purchase a newly constructed home. A newly constructed home must have received a certificate of occupancy within the last twelve months.
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- b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award:

Very Low:	\$50,000
Low:	\$35,000
Moderate:	\$20,000
- e. Terms:
 - 1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 - 2. Interest Rate: 0%.
 - 3. Years in Loan term: 20 years.
 - 4. Forgiveness: The entire loan amount will be forgiven after 20 years of occupancy.
 - 5. Repayment: Not required as long as the loan is in good standing.
 - 6. Default: The loan will be determined to be in default if any of the following occurs during the 20-year loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as a primary residence or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture.
- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs income groups as described in section I of this plan.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: Applicants must secure a first mortgage from a lender.
Applicants for purchase assistance loans must also provide a pre-qualification letter from a lender.
- i. For additional information please see the Indian River County Guidelines and Procedures for Implementing Strategies of the Local Housing Assistance Plan.



- j. No existing SHIP mortgage will be subordinated to a refinanced first mortgage unless the following requirements are met:

Requirements for a Refinanced First Mortgage			
Maximum Term Allowed	Maximum Interest Rate Allowed	Maximum First Mortgage Amount Allowed	Maximum Points Allowed
30 Years	It must be a fixed-rate loan, and the interest rate must be lower than the existing first mortgage interest rate.	Not to exceed the original first mortgage amount. Any available equity up to the original mortgage amount may be used for closing costs associated with the refinancing. No cash out to an applicant	For purchase assistance loans, up to 1 point allowed For other loans, up to 2 points allowed

D. Emergency Repair Loans	Code 6
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a. Summary of Strategy: Funds will be awarded to applicants in need of rehabilitation of their home related to a dire situation that needs to be mitigated immediately. This includes replacement HVAC systems, damaged roofing when there is a recently active leak, the insurance company is requesting roof replacement to maintain insurance, damaged windows causing exposure to the elements, or electrical or plumbing, including septic tank problems, that could cause flooding or (fire) to the home or is an immediate health hazard to the occupants. As well as retrofitting bathrooms, walkways, and ramps for ADA compliance for applicants with disabilities. This strategy may be used in cases where the health department, a jurisdiction’s building official, or the SHIP administrator determines that a home is in such a condition that it jeopardizes the occupant’s health and safety.

- b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$ 35,000
- e. Terms:
1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 2. Interest Rate: 0%.
 3. Years in Loan term: 10 years.
 4. Forgiveness: The entire loan amount will be forgiven after 10 years of occupancy, or upon the death of the homeowner, whichever comes first.
 5. Repayment: Not required as long as the loan is in good standing.



- 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as a primary residence or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.

In cases where the qualifying homeowner(s) die(s) during the 10-year loan term the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. Recipient Selection Criteria: Applicants will be selected on a first-qualified, first-served basis with the priorities as described in Section I of this plan.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: An applicant requesting an emergency repair will be required to:
 - 1. Allow the health department inspector, building department inspector, or rehabilitation specialist to access the home for an inspection to determine the need for the repair.
 - 2. Provide proof of homeowner's insurance policy if it is available, any proof of whether or not the insurance will cover any part of the repair, and if applicable, insurance award to be completed prior to SHIP award.
 - 3. When an applicant is assisted with emergency repairs, they will not lose their place on the queue list. However, the amount of funds expended for the emergency repairs will be counted towards the maximum award if the applicant receives subsequent assistance through the rehabilitation strategy. Funds may also be awarded to pay insurance deductibles for any emergency repairs covered by the homeowner's policy.
- i. For additional information, please see the Indian River County Guidelines and Procedures for Implementing Strategies of Local Housing Assistance Plan document.

E. Disaster Mitigation Loans	Code 5
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| <ul style="list-style-type: none">a. Summary of Strategy: Funds will be awarded to applicants in need of home repairs directly caused by a disaster that is declared by an Executive Order of the President or Governor. Repairs will be prioritized as follows:<ul style="list-style-type: none">1. Immediate threats to health and life safety (such as sewage, damaged windows, roofing) in cases where the home is still habitable. |
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2. Imminent residual damage to the home (such as damage caused by a leaking roof) in cases where the home is still habitable.
3. Repairs necessary to make the home habitable.
4. Repairs to mitigate dangerous situations (such as exposed wires).

- b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$ 30,000
- e. Terms:
 1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 2. Interest Rate: 0%
 3. Years in loan term: 10 years.
 4. Forgiveness: The entire loan amount will be forgiven after 10 years of occupancy.
 5. Repayment: Not required as long as the loan is in good standing.
 6. Default: The loan will be determined to be in default if any of the following occurs during the 10-year loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as a primary residence or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
7. If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture.
 - f. Recipient Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis with the priorities for Special Needs income groups as described in section I of this plan.
 1. Proof of homeowner's insurance if available.
 2. Must file for and use proceeds from insurance as the first option.



3. Must file for FEMA, SBA, and other assistance available prior to applying to SHIP.

- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: Funds for disaster mitigation will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the disaster.
- i. For additional information, please see the Indian River County Guidelines and Procedures for Implementing Strategies of Local Housing Assistance Plan document.

F. Impact Fee / Capacity Charge Loans	Code 8
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a. Summary of the Strategy: To assist income-eligible persons with the cost of impact fees and/or water and sewer capacity charges for owner-occupied housing units anywhere in Indian River County.
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- b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027
- c. Income Categories to be served: Very low, low, and moderate (in conjunction with PA loan only)
- d. Maximum award: \$ 20,000
- e. Terms:
 - 1. Deferred Payment Loan (DPL); Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 - 2. Interest Rate: 0%.
 - 3. Years in loan term: 10 years.
- 4. Forgiveness: The entire loan amount will be forgiven after 10 years of occupancy or upon the death of the homeowner, whichever comes first.
- 5. Repayment: Not required as long as the loan is in good standing.
- 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term, sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as a primary residence or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.
- 7. In cases where the qualifying homeowner(s) die(s) during the loan term (for loans not used in conjunction with CDBG funds), the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the



home, the outstanding balance of the loan will be due and payable.

- 8. If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture.
- f. Recipient Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis with the priorities for Special Needs income groups as described in Section I.
- g. Additional Information: Impact Fee Capacity Charge loans will be based on the actual amount of impact fees/capacity charges charged by the county.
- h. For additional information, please see the Indian River County Guidelines and Procedures for Implementing Strategies of the Local Housing Assistance Plan.

G. New Construction (Federal or State Programs Matching Loans)	Code 21
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a. Summary of the Strategy: To assist non-profit organizations, and for-profit developers with matching funds needed to obtain federal or state housing programs funding for development of rental affordable housing projects.

- b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$ 25,000 per unit, and \$100,000 per project
- e. Terms:
 - 1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
 - 2. Interest Rate 3%
 - 3. Term 10 years
 - 4. Forgiveness: the entire loan amount and interest accumulated will be forgiven after 10 years of compliance with federal and state housing program requirements.
 - 5. Repayment: Not required as long as the project is constructed and meets the federal or state housing program requirements for occupancy by very low, low, and/or moderate-income households.
 - 6. Default: When the assisted housing has changed to a market rate prior to 10 years, the entire original loan and accumulated interest amount is due and payable.



7. Developer Selection Criteria: Non-profit organizations or for-profit developers eligible to participate in the local housing assistance program must submit a federal or state housing funding application to the appropriate agency to qualify. Assistance will be provided to projects which receive an award of funds from a federal or state housing programs. Factors that may be considered in selecting the sponsor/developer may include, but are not limited to:

- a. Capacity and Capability to Carry out Project
- b. Scale of Project/Utilization of Density Bonuses
- c. Experience in Completing Similar Projects
- d. Use of Personnel from Wages and Workforce Development Programs
- e. Leveraging
- f. Site Control
- g. Neighborhood Compatibility with Area Redevelopment Plan
- h. Creation of Mixed-Income Communities
- i. Recapture Provisions
- j. Incorporation of Partnerships with Local Employers, Institutions, Hospitals and Schools
- k. Incorporation of Transit-Oriented Design
- l. Attractiveness of Design
- m. Multistory Buildings Must Have Elevators and be ADA Compliant
- n. Use of Green Building Techniques

f. Tenant Selection: Management of the development will select potential renters for the SHIP-assisted units on a first-qualified, first-served basis. All applicants for residence in a SHIP-assisted unit must meet the income qualifications of the program as determined and reported by the developers' management company for the development.

g. Additional Information: The compliance period for developments receiving SHIP funds as a match for any federal and/or state funds will be consistent with applicable federal and state fund requirements. Monitoring of these developments will be done through the appropriate federal or state programs.

Developers receiving assistance from both SHIP and from the Low-Income Housing Tax Credit (LIHTC) program shall be required to comply with the income, affordability and other LIHTC requirements. Similarly, any units receiving assistance from SHIP and other federal, state, or local programs shall be required to comply with any requirements specified by the other program in addition to SHIP program requirements. In the event that both programs have restrictions on the same issue, the more restrictive regulation shall take precedence. If one program is silent on an issue, the program with a regulation on the issue shall apply.

h. For additional information please see the Indian River County Guidelines and Procedures for Implementing Strategies of Local Housing Assistance Plan document.

H. Foreclosure Prevention	Code 7
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a. Summary of the Strategy: To assist income-eligible applicants to prevent foreclosure. This is a one-time assistance only. Applicants requesting assistance must be able to prove that their financial situation is temporary and is due to a change in the family status, including but not limited to serious medical illness, divorce or separation, death in the family, unforeseen home repair bills, a reduction in the number of scheduled work hours, or a job loss that was not the fault of the recipient.

b. Fiscal Years Covered: 2024-2025, 2025-2026, 2026-2027

c. Income Categories to be served: Very low, low

d. Maximum award: \$ 8,000

e. Terms:

1. Deferred Payment Loan (DPL): Funds will be awarded as a deferred payment loan secured by a recorded subordinate mortgage and note.
2. Interest Rate: 0%.
3. Years in Loan term: 2 years
4. Forgiveness: The entire loan amount will be forgiven after 2 years of occupancy.
5. Repayment: Not required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as a primary residence or refinancing with cash out. If any of these occur, the outstanding balance will be due and payable.

In cases where the qualifying homeowner(s) die(s) during the 2-year loan term (for loans not used in conjunction with CDBG funds), the loan may be assumed by a SHIP-eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture.

f. Recipient/Tenant Selection Criteria: Selection Criteria: Applicants will be selected on a first-qualified, first-served basis with the priorities as described in Section I of this plan.

g. Sponsor Selection Criteria: N/A

h. Additional Information:

1. Property taxes and homeowner's insurance must be paid current unless these amounts were being escrowed as part of the mortgage payment.
2. The property shall have no other liens other than the first mortgage or previous SHIP, CDBG, or NSP liens.
3. No assistance will be provided to any property owner whose home is in the process of foreclosure or who has delinquent tax liens or other liens, with the exception of a previous SHIP, CDBG, or NSP lien against it.

III. LHAP Incentive Strategies

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

A. Name of the Strategy: **Expedited Permitting**

Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing

projects are expedited to a greater degree than other projects. (Housing Element policies 1.5 & 1.6)

- Housing Element Policy 1.5

POLICY 1.5: By 2000, the county shall assess its existing permit processing procedure and, if warranted, establish a full one-stop permitting process.

- Housing Element Policy 1.6

POLICY 1.6: The County shall take all necessary steps to eliminate delays in the review of affordable housing development projects. In order to define delay, the county hereby establishes the following maximum timeframes for approval of projects when an applicant provides needed information in a timely manner:

- Administrative approval - 5 days;
- Minor site plan - 5 weeks;
- Major site plan - 6 weeks; and
- Special exception approval - 13 weeks.

Whenever these review times increase by 150% or more due to the workload of the review staff, the county will begin prioritizing the review of affordable housing development project applications. In prioritizing affordable housing development project applications, staff will schedule affordable housing project applications for review before other types of project applications to ensure that maximum review timeframes are not exceeded for affordable housing projects.

In 2019, after a recommendation from the Affordable Housing Advisory Committee (AHAC), the County revised the permit expediting process to make identification of affordable housing permits more identifiable. For hardcopy permit application submissions, the new process uses a bright neon green affordable housing permit expediting form and a similarly colored permit review folder to designate the permit as a permit that must be expedited.

More recently, in 2020, in response to the COVID-19 health crisis, the Community Development Department implemented an electronic permit e-mail application process for all building permits. The process is currently being changed over to a permanent process. While not specific to affordable housing, the electronic permit application process will eliminate the time it takes to produce paper copies and have them delivered. With this process, applicants may request that the permit be expedited in the subject line of the e-mail and provide a copy of the neon green permit expediting form.

B. Name of the Strategy: **Ongoing Review Process**

An ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption (Housing Element Policy 1.7).

- Housing Element Policy 1.7

POLICY 1.7: As part of the adoption process for any county regulations that could affect housing development, county planning staff shall prepare a Financial Impact Statement to assess the anticipated impact of the proposed regulation on the cost of housing. When proposed regulatory activities are anticipated to increase the estimated cost per unit projection. The financial impact statement then will be reviewed by the Professional Services Advisory Committee, the Planning and Zoning Commission, and, if possible, the Affordable Housing Advisory Committee. Those groups shall consider the regulation's effect on housing costs in making their recommendation to the Board of County Commissioners. The Board of County Commissioners will consider the financial impact statement in making its final decision on the adoption of any proposed regulations.

C. **Other Incentive Strategies Adopted:**

1. Regulations providing up to a 20% density bonus for affordable housing development projects (housing element policy 2.5, Land Development Regulations Section 911.14(4)(a)).
2. Regulations allowing for small lot subdivisions with reduced setbacks, lot size, and lot width requirements for Workforce or Affordable Housing subdivision projects (Land Development Regulations, Chapter 911 and section 971.41(9)).
3. Regulations allowing for accessory single-family dwelling units in all agricultural and residential zoning districts (Land Development Regulations, Chapter 911 and Section 971.41(10)).
4. Regulations allowing multi-family dwelling units in conjunction with commercial development, such as apartments over commercial buildings (Land Development Regulations Section 911.10 and Section 971.41 (6)).
5. Policies for expedited permit processing (Housing Element policies 1.5 and 1.6).
6. Policy for review of proposed local policies or regulations, which may increase the cost of housing (Housing Element policy 1.7).



7. Inventory of all surplus county owned land (Housing Element policy 2.4).
8. Policy for financing impact fees or payment of impact fees (Housing Element policy 4.3 and policy 4.4).
9. New single-family housing impact fee reduction/waiver categories added to County impact fee schedule; reducing or eliminating impact fees for certain sized housing units occupied by households with household incomes below 80% of the Area Median Income.
10. Policy for expediting permits for housing projects utilizing new construction technology (green building, Energy Star Program) (Housing Element policy 1.8).
11. Policy for support of development near transportation hubs or major employment centers (Housing Element policy 1.9).
12. Policy for assistance to non-profit housing organizations to establish CLTs (Housing Element policy 4.10).
13. Policy for assistance to non-profit organizations to establish CDCs (Housing Element policy 4.11).
14. Policy for assistance to employers for establishing employer assisted housing programs (Housing Element policy 4.12).
15. Policy for establishing a private/public housing trust fund (Housing Element policy 4.13).
16. Regulations allowing zero lot line subdivisions (Land Development Regulations Section 915.15).
17. Establishment of a Local Housing Assistance Program, allowing the county to utilize State Housing Initiatives Partnership (SHIP) program funds for the provision of affordable housing (Local Housing Assistance program, Local Housing Assistance plan, Housing Element policies 2.7, 3.6, 4.4, 4.6, 4.7, 4.9, and 9.1).

IV. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.



F. Ordinance: (If changed from the original creating ordinance).

G. Guidelines and Procedures for Implementing Strategies of the Local Housing Assistance Plan

Indian River County

Fiscal Year: 2024-2025	
Estimated SHIP Funds for Fiscal Year:	\$ 1,892,707.00
Salaries and Benefits	\$ 174,270.70
Office Supplies and Equipment	\$3,000.00
Travel Per diem Workshops, etc.	\$1,000.00
Advertising	\$1,000.00
Other*	\$ 10,000.00
Total	\$ 189,270.70
Admin %	10.00%
OK	

Fiscal Year 2025-2026	
Estimated SHIP Funds for Fiscal Year:	\$ 1,892,707.00
Salaries and Benefits	\$174,270.70
Office Supplies and Equipment	\$ 3,000.00
Travel Per diem Workshops, etc.	\$1,000.00
Advertising	\$1,000.00
Other*	\$ 10,000.00
Total	\$ 189,270.70
Admin %	10.00%
OK	

Fiscal Year 2026-2027	
Estimated SHIP Funds for Fiscal Year:	\$ 1,892,707.00
Salaries and Benefits	\$ 174,270.70
Office Supplies and Equipment	\$ 3,000.00
Travel Per diem Workshops, etc.	\$ 1,000.00
Advertising	\$ 1,000.00
Other*	\$ 10,000.00
Total	\$ 189,270.70
Admin %	10.00%
OK	

*All "other" items need to be detailed here and are subject to review and approval by the SHIP review committee. Project Delivery Costs that are outside of administrative costs are not to be included here, but must be detailed in the LHAP main document.

Details: Other = Professional Services. There will also be additional administrative income from SHIP program loan repayments and interest earned (not included in the above number.)

Exhibit B Timeline for SHIP Expenditures

Indian River County affirms that funds allocated for these fiscal years will meet the following deadlines:

Fiscal Year	Encumbered	Expended	Interim Report	Closeout Report
2024-2025	6/30/2026	6/30/2027	9/15/2026	9/15/2027
2025-2026	6/30/2027	6/30/2028	9/15/2027	9/15/2028
2026-2027	6/30/2028	6/30/2029	9/15/2028	9/15/2029

If funds allocated for these fiscal years is not anticipated to meet expenditure deadlines, Florida Housing Finance Corporation will be notified according to the following chart:

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2024-2025	3/30/2027	6/15/2027
2025-2026	3/30/2028	6/15/2028
2026-2027	3/30/2029	6/15/2029

Requests for Expenditure Extensions (close-out year ONLY) must be received by FHFC by June 15 of the year in which funds are required to be expended. The extension request shall be emailed to robert.dearduff@floridahousing.org and cameka.gardner@floridahousing.org and include:

1. A statement that "(city/county) requests an extension to the expenditure deadline for fiscal year _____.
2. The amount of funds that is not expended.
3. The amount of funds that is not encumbered or has been recaptured.
4. A detailed plan of how/when the money will be expended.

Note: an extension to the expenditure deadline (June 30) does not relieve the requirement to submit (September 15) the annual report online detailing all funds that have been expended. Please email cameka.gardner@floridahousing.org when you are ready to "submit" the AR.

Other Key Deadlines:

AHAC reports are now due annually by December 31. Local governments receiving the minimum (or less) allocation may choose not to report.

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity: Indian River County, Florida
Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will ensure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.
- (7) The LHAP conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the LHAP.
- (8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.
- (9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.
- (10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements (CAFR). An electronic copy of the CAFR or a

hyperlink shall be provided to Florida Housing by June 30 of the applicable year.

- (12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.
- (13) SHIP funds will not be pledged for debt service on bonds.
- (14) Developers receiving assistance from both SHIP and the Low-Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). To the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility.
- (17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.
- (18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).

Kimberly K Moore

Witness

Susan Adams

Chief Elected Official or Designee

Christopher [Signature]

Witness

Susan Adams, BCC Chairman

Type Name and Title



02/20/2024
Date

OR

Attest:

(Seal)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

BY

William K. DeGraal
WILLIAM K. DEGRAAL
COUNTY ATTORNEY

2

Attest: Ryan L. Butler, Clerk of
Circuit Court and Comptroller

By

Randi Wadlow
Deputy Clerk

RESOLUTION #:2024-007

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA, APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE PLANNING AND DEVELOPMENT SERVICES DIRECTOR TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS NEEDED BY THE STATE; AUTHORIZING THE SUBMISSION OF THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

WHEREAS, the State Housing Initiatives Partnership (SHIP) Act, ss. 420.907-420.9079, Florida Statutes (1992), and Rule Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used; and

WHEREAS, the SHIP Act requires local governments to establish the maximum SHIP funds allowable for each strategy; and

WHEREAS, the SHIP Act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act; The methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

WHEREAS, as required by *section 420.9075, F.S.*, it is found that 5 % of the local housing distribution plus 5 % of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan. The cost of administering the program may not exceed 10 % of the local housing distribution plus 5% of program income deposited into the trust

fund, except that small counties, as defined in s. 120.52(19) Florida Statutes, and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 % of program income for administrative costs.

WHEREAS, the Planning and Development Services Department has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

WHEREAS, the Board of County Commissioners made a determination that it is in the best interest of Indian River County citizens to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

WHEREAS, this resolution replaces and supersedes resolution #2020-107, which was approved by the Board on December 1, 2020.

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA that:

Section 1: The Board of County Commissioners of Indian River County hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for fiscal years 2023-2024, 2024-2025, 2025-2026.

Section 2: The Planning and Development Services Director is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan and to do all things necessary and proper to carry out the terms and conditions of said program.

Section 3: The County shall utilize up to 10% of the local housing distribution plus 5% of the program income deposited into the trust fund to administer the program.

Section 4: This resolution shall take effect immediately upon its adoption.

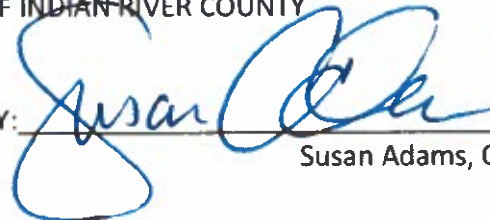
The foregoing resolution was offered by Commissioner Flescher and seconded by Commissioner Loar, and being put to a vote, the vote was as follows:

Susan Adams, Chairman	<u>AYE</u>
Joseph E. Flescher, Vice Chairman	<u>AYE</u>
Joseph H. Earman, Commissioner	<u>AYE</u>
Deryl Loar, Commissioner	<u>AYE</u>
Laura Moss, Commissioner	<u>AYE</u>

The Chairman thereupon declared the resolution duly passed and adopted this 20th day of February 2024.

BOARD OF COUNTY COMMISSIONERS
OF INDIAN RIVER COUNTY

BY:

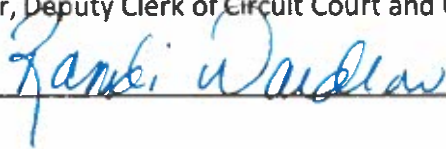


Susan Adams, Chairman



Ryan L. Butler, Deputy Clerk of Circuit Court and Comptroller

ATTEST : BY:



APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY:



William K. DeBaal, County Attorney

EXHIBIT F

No change to the Original Ordinance

EXHIBIT G

No Interlocal Agreement

EXHIBIT H

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

INFORMATION SHEET

LOCAL GOVERNMENT: Indian River County, Florida
CHIEF ELECTED OFFICIAL: Susan Adams, Chairman,
Board of County Commissioners
ADDRESS: 1801 27th Street, Vero Beach, FL 32960
SHIP ADMINISTRATOR: Christopher Balter, Chief, Long Range Planning
ADDRESS: 1801 27th Street, Vero Beach, FL 32960
TELEPHONE: (772) 226-1250 **FAX:** (772) 226-1922
EMAIL ADDRESS: cbalter@indianriver.gov

ADDITIONAL SHIP CONTACTS: Briana Lambert

ADDRESS: 1801 27th Street, Vero Beach, FL 32960

EMAIL ADDRESS: blambert@indianriver.gov

INTERLOCAL AGREEMENT: **NO** (IF yes, list other participants in the inter-local agreement):

The following information must be furnished to the Corporation before any funds can be disbursed.

LOCAL GOVERNMENT EMPLOYER FEDERAL ID NUMBER: 59-6000674

MAIL DISBURSEMENT TO: Board of County Commissioners, Indian River **ADDRESS:**

1801 27th Street, Vero Beach, FL 32960

OR: IF YOUR FUNDS ARE ELECTRONICALLY TRANSFERRED PLEASE COMPLETE THE ATTACHED FORM:

NO CHANGE FROM PREVIOUS ELECTRONIC FORM SUBMITTED.

Provide any additional updates the Corporation should be aware of in the space below:

Please return this form to: SHIP PROGRAM MANAGER, FHFC 227 N. BRONOUGH ST, STE 5000
TALLAHASSEE, FL 32301 Fax: (850) 922-7253



Indian River County

GUIDELINES AND PROCEDURES FOR IMPLEMENTING STRATEGIES OF LOCAL HOUSING ASSISTANCE PLAN (LHAP)

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

FY 2024-2025

FY 2025-2026

FY 2026-2027



Equal Housing Opportunity

Effective: July 1, 2024

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PURPOSE AND INTENT

This document outlines and provides the guidelines and operating procedures for implementing assistance strategies of the Indian River County Local Housing Assistance Plan as established by the Indian River County Board of County Commissioners via Ordinance 93-13; pursuant to the requirements of the State of Florida State Housing Initiatives Partnership (SHIP) Program statute 420.907-420.9079 and Rule Chapter 67-37, Florida Administrative Code (FAC).

The purpose and intent of this document is to provide consistent and clear guidelines and operating procedures for implementing assistance strategies identified in the Indian River County Local Housing Assistance Plan.

SECTION I: PROGRAM DETAILS

Program details are provided in the Local Housing Assistance Plan. However, a more detailed implementation guideline and operating procedure are provided in this document.

- **General Loan Application Process**

During the application acceptance period, each applicant receives an application (queue) number after submission of a preliminary intake form, which is given to them by the County's SHIP Program staff in consecutive order.

At the end of the application acceptance period, staff will conduct reviews based on the priorities identified in the Local Housing Assistance Plan and this document. When an applicant's queue number is reached, it may be adjusted to achieve any established funding priorities established in the LHAP; staff will send the applicant a letter, email, or call the applicant, letting him or her know what is needed to complete the application. A complete application and all required documents must be submitted to the SHIP office within 4 weeks.

For complete applications, staff will verify the household's income and assets and then send a conditional award (eligibility) letter to the applicant, indicating the household's information and informing the applicant that a specific amount of the funds is reserved for him for 90 days. The conditional award letter identifies what is needed for an application to be ready for the Loan Review Committee review. The Loan Review Committee consists of three members: the Indian River County Community Development Director or his designee, a financial institution representative or his or her alternates, a member of the Indian River County Board of County Commissioners or his or her designee, who shall serve as chairman of the Loan Review Committee. The completed applications will then be submitted to the County's SHIP Program Loan Review Committee (LRC).

After the Loan Review Committee approval, staff will send a Loan Review Committee approval letter to the applicant and notify them that the loan must be closed within 90 days. The Loan Review Committee approval letter specifies steps and documents needed prior to scheduling a loan closing.

Mortgage documents and promissory notes are then prepared, and a closing is scheduled. At the closing, the applicant signs all appropriate documents that will be recorded, and then funds are expended according to each strategy.

For rehabilitation loans, staff sends a notice to proceed to the contractor after the recorded documents are returned from the county courthouse. The contractor then pulls building permits and completes the work. The appropriate jurisdiction's building department inspector inspects the completed work. The contractor sends the county or the housing inspector, if a major rehabilitation project, the final invoice, final contractor affidavit, contractor final waiver of lien, sub-contractor final waiver of lien (if applicable), approved final inspection(s), and a final satisfaction from the owner.

Staff will prepare and record a Satisfaction of Mortgage for loans that are paid back and for loans that terminate after the affordability timeframe.

- **Local Loan/Applicant Requirements**

Eligible persons or sponsors applying for participation in the County's SHIP Program, in addition to State requirements, shall comply with the following local requirements:

- a. **Asset Verification**

Total household assets (cash or non-cash items that can be converted to cash), not including IRA, Keogh, and similar retirement savings accounts of an eligible household applying for SHIP assistance, shall not exceed twenty thousand dollars (\$20,000.00).

- b. **Income Verification / Banking Documents**

All applicants will be required to provide 2 months of the most current consecutive paystubs and 3 months of the most current consecutive banking statements.

- c. **Credit Verification**

- 1. **Credit Requirement for Purchase Assistance Loans**

For applicants applying for both a SHIP purchase assistance loan and a loan from a financial institution, the applicable financial institution shall determine whether each applicant's credit is satisfactory based on the applicable financial institution's credit standards. Applicants who received a purchase assistance loan but foreclosed on the first mortgage are not eligible to re-apply for another SHIP purchase assistance loan.

- 2. **Credit Requirement for Rehabilitation and Impact Fee Loans**

Applicants for rehabilitation and impact fee loans will be deemed to have satisfactory credit if the applicable title search report shows that there is no active lien, judgment, or foreclosure action against the applicant or the applicant's property.

No credit requirements shall apply for rehabilitation loans to very low and low-income households using SHIP funds as a match for CDBG funds, Residential

Construction Mitigation Program (RCMP) funds, or other state and federal housing funding.

All applicants must be current on their mortgage loans and property taxes.

c. Home Inspection

The applicable financial institution shall determine what type of home inspection is needed for applicants applying for SHIP funds and a loan from a financial institution. The financial institution shall arrange for the inspections through their established procedures and shall be responsible for all approval contingencies.

For Purchase Assistance loans, the following inspections for all existing housing units five years or older are recommended:

- i. Termite Inspection
- ii. Roof
- iii. Plumbing system
- iv. Electrical system
- v. Heating and air conditioning system

All inspections must be performed by public service licensed inspectors, registered or certified residential, building, general contractors, or licensed trade contractors as appropriate. The county's staff shall review home inspection reports requested by the county to determine the condition of the home.

Based on the results of the home inspection reviewed by the bank or the county, one of the following three actions will be taken:

- i. If the home is in good condition, the purchase assistance loan application will be submitted to the loan review committee for approval; or
- ii. If the home needs some rehabilitation work, the applicant may receive a combination of purchase assistance and a rehabilitation loan. A combined purchase assistance and rehabilitation loan application will be submitted to the loan review committee for approval; or
- iii. If the home is in excessive disrepair and cannot be fixed, the loan application will not be approved.

Home inspection charges are considered to be eligible closing cost expenses and payable through SHIP funds. In cases where the county requests a home inspection, but due to the home's condition, a purchase assistance loan cannot be approved, the home inspection cost will be paid through the administration portion of SHIP funds.

- ii. Employment
- iii. Assets
- iv. Credit for moderate-income households only
- v. Disability Status
- vi. Other information as deemed necessary to meet program requirements

First-time applicants will be given priority over previously assisted persons.

g. Other Rehabilitation Loan requirements:

The County's SHIP Program anticipates providing low-interest loans to eligible households to fund all or a portion of the cost encountered in rehabilitating existing or rehabilitating acquired housing units eligible for occupancy by eligible persons. Rehabilitation loans shall be provided consistent with the requirements of the county's minimum standards for the rehabilitation of residential properties document. Rehabilitation loans will not be awarded for work completed before the county loan approval. Licensed contractors must perform all rehabilitation work.

Rehabilitation loans may be awarded only for rehabilitation work activities that are identified in the county's designated inspector work write-up and include only items that are in poor condition and cannot be repaired. Rehabilitation loans may be awarded for the following rehabilitation work activities:

1. Roof (shingle or 5V metal), including replacement of all rotten wood
2. Plumbing work as needed
3. Electrical work as needed
4. Heating and air conditioning, including insulation and ceiling fans
5. Replacement of doors, garage doors, and windows, if in poor condition
6. Replacement of kitchen cabinets and countertops, if in poor condition, with plastic laminate type
7. Patching or replacement of drywall as needed
8. Painting, only as part of more significant rehabilitation work
9. Replacement of rotted siding
10. Replacement of bathroom tubs, lavatories, and sinks, as needed to bring the units to a safe and sanitary standard
11. Replacement of kitchen sinks as needed
12. Pressure wash, only to prepare for any allowed painting or repair
13. Driveway/culvert (only if no driveway exists)
14. Repairs to make a house accessible for a disabled member of a household
15. Repair or replacement of septic tank, lift station, drain field, or private well as required by the public health department
16. Termite repairs and treatment
17. Installation of Aluminum storm window shutters
18. Installation of gutters
19. Hurricane Mitigation work activities
20. Replacement of water heater as needed (including solar panels for a water heater)
21. Other repairs as required by the building department to bring the house up to the current minimum housing code
22. Replacement of stairs as needed

23. Application of green building standards to increase the energy efficiency of the unit
24. Repair of a permitted porch to make it safe
25. Replacement of range hood if existing one is not working; installation if no existing
26. Repair or replacement of existing smoke alarm and/or carbon monoxide alarm; installation if none existing
27. Plastic screen, metal screen, or metal mesh for soffit vents
28. Other needed rehabilitation work approved by the SHIP administrator
29. Replacement of flooring with the same existing flooring type (tile floor in a wet area such as kitchen and bathrooms only)
30. Mold and mildew remediation that is not covered by the homeowner's insurance.
31. Payment of an applicant's homeowners insurance deductible in conjunction with a SHIP rehabilitation job when an applicant can get insurance funds for some of the needed work and it is determined by the SHIP administrator that it is in the best interest of the SHIP program and the applicant to pay for the insurance deductible

Following rehabilitation work activities are **NOT** eligible for SHIP funding:

1. Appliances
2. Wood flooring
3. Sauna or Hot Tub
4. Tile floor or wall (except in wet areas such as kitchen and bathrooms)
5. Patio and porch addition
6. Painting which is not part of larger rehabilitation work
7. Building a garage or any house addition
8. Landscaping, sodding, and similar work
9. Any kind of cosmetic work
10. Swimming pool and similar facilities
11. Tile or slate roofing
12. Hardi plank siding unless replacing existing portions
13. Fence

Rehabilitation loan amounts shall be based upon a minimum of two written licensed contractor estimates for the exact same scope of work, identifying all necessary rehabilitation work and the expected costs of the rehabilitation work. One bid may be allowed at the discretion of the LHAP Administrator. Contractors' estimates for major rehabilitation work must be based on a work write-up prepared by the county-designated inspector. The applicant shall choose one of the contractors to complete the identified rehabilitation work provided that the contractor cost estimate does not exceed 110% of the estimate provided by the county-designated inspector. When there is no work write-up applicant must receive two comparable bids for the exact same job from two licensed contractors. In this case, the applicant shall choose one of the acceptable bids provided that the contractor's cost estimate does not exceed 5% of the average of all bids received.

Where the proposed rehabilitation is minimal or involves specific activities such as replacement of a septic tank, replacement of A/C, roof, window shutters, and other similar work, there may be no work write-up. In such cases, the applicant must contact licensed contractors, obtain at least two comparable bids for the exact same job, and submit the bids to the county.

Once the contractor estimate is selected and the rehabilitation loan amount including contingencies established, no additional funds may be awarded. The contractor estimate must identify all potential costs (including building permit fees) to be encountered in completing the rehabilitation work. Change orders must be approved by the county designated inspector and/or local housing assistance program staff. The county will order a title search for each rehabilitation property. The county will use the title search results to ensure that all property taxes are current and that there are no delinquent liens or judgments against the property or the property owner(s). Any liens/mortgages identified on the county title search requires proof/documentation that the lien/mortgage is current.

The applicant or his contractor must obtain a building permit from the corresponding jurisdictional building department for all rehabilitation work activities. The funds for rehabilitation loans of less than \$5,000 shall be delivered upon completion of all rehabilitation work and a satisfactory final inspection by the corresponding jurisdictional Building Department and the county designated inspector or local housing assistance program staff that all required rehabilitation activities for the eligible housing unit are completed. Funds for rehabilitation loans of \$5,000.00 or more may be delivered in individual draws, not to exceed five draws total, based upon the completion of individual components of the rehabilitation work and inspection by the corresponding jurisdictional Building Department and the county designated inspector or the local housing assistance program staff. Each partial draw of funds shall not be less than \$5,000 and it shall be delivered upon completion of all rehabilitation work and a satisfactory final inspection by the corresponding jurisdictional Building Department and the county designated inspector or the local housing assistance program staff that all required rehabilitation activities for the eligible housing unit are completed. The contractor must submit an invoice, a copy of the final inspection report, signed and notarized contractor's final affidavit, contractor final waiver of lien, and sub-contractor's final waiver of lien (if any). Staff will make sure that the final draw is not less than \$5,000 by keeping track of all draw requests. No SHIP funds will be paid for any work completed prior to the county's notice to proceed.

Rehabilitation loans can be leveraged with private funds, small city Community Development Block Grant (CDBG) funds, weatherization funds, and other state and federal programs as appropriate.

h. Additional Information:

i. Geographic Area

Rehabilitation loans may be made anywhere in the county, including all municipalities located within the county;

ii. Housing Unit Classification

Eligible housing units receiving rehabilitation loans must be owner-occupied single-family, or condominium residences. Mobile homes are not eligible; and

i. Residential Hurricane Mitigation:

The county will match SHIP funds with My Safe Florida Home Funds for hurricane-resistant retrofit improvements to owner-occupied site-built homes to reduce potential future hurricane damage. If applicable, the county shall advertise the availability of My Safe Florida Home funds, accept applications from very low, low, and moderate income homeowners with homestead exemptions for homes that have insured values not exceeding \$300,000. Applications will be reviewed on a first qualified, first-served basis. Applications, however, will be approved based on first application completed, first application to receive funding.

Eligible retrofit improvements work activities include the following:

- 1. Improving the strength of the roof deck attachment
- 2. Creating a secondary water barrier to prevent water intrusion
- 3. Improving the survivability of the roof covering
- 4. Bracing gable-ends in the roof framing
- 5. Reinforcing roof-to-wall connections
- 6. Upgrading exterior wall opening protections
- 7. Upgrading exterior doors

B. Purchase Assistance with Rehabilitation Loans (Code #1)

a. Summary of the Strategy:

To assist eligible persons with down payment and closing costs principal reduction associated with the purchase of a home.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (Not to exceed 50% of median income)

Low-Income Persons (between 51-80% of median income)

Moderate-Income Persons (between 81-120% of median income)

d. Maximum Award:

Income Category	Purchase Assistance Portion	Rehab Portion	Max. Total
Very Low	\$50,000	\$15,000	\$65,000
Low	\$35,000	\$15,000	\$50,000
Moderate	\$20,000	\$15,000	\$35,000

e. Terms, Recapture, Default:

Purchase assistance with rehabilitation loans is deferred payment 20-year loans for the purchase assistance portion and deferred payment 10-year loans for the rehabilitation portion, both secured by a mortgage and note whereby repayment of the entire loan amount and accumulated interest occurs at the time that the eligible housing unit is sold, refinanced with cash out, or occupied by someone other than the original loan recipient. There will be a 0% simple annual interest rate for Purchase Assistance with Rehabilitation loans. After 20 years for purchase assistance and after 10 years for rehabilitation assistance; the original loan amount and accumulated interest will be forgiven. Eligible persons may repay the entire amount of the loan at any time. In the event of the death of the homeowner, an income-eligible heir may assume the county SHIP loan as long as the home is utilized as the household's homesteaded property.

f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified first served basis as may be adjusted per the LHAP based on ranking priorities, subject to funding availability. Applicants will have the following verified to confirm eligibility and for record management and reporting:

- i. Income;
- ii. Employment;
- iii. Assets;
- iv. First time Homebuyer Status;
- v. Credit Verification and/or approval from the financial institution that is granting the first mortgage;
- vi. Approval of first mortgage from a financial institution;
- vii. Attendance and completion of County's Homebuyer's Educational Workshop (receiving the Homebuyer's Educational Workshop Certificate); and
- viii. Disability Status.

g. Sponsor Selection Criteria:

N/A

h. Additional Information:

- i. Geographic Area

Purchase assistance with rehabilitation loans may be made anywhere in the county, including all municipalities located within the county;

ii. Housing Unit Classification

All housing units shall be owner-occupied single-family or condominium residences;

iii. Purchase assistance loans can be given in combination with a rehabilitation or impact fee loan, for the purchase of existing homes or in combination with an impact fee/capacity charge loan for the construction of a new unit;

iv. As structured, the program does not require an applicant to provide a minimum monetary contribution towards the down payment or closing costs. This program policy, however, does not exempt an applicant from a financial institution's minimum monetary contribution requirement, if applicable;

v. No owner financing is allowed. All purchase assistance applicants must receive their first mortgage from a financial institution;

vi. Except as otherwise provided for herein, SHIP purchase assistance with rehabilitation funds shall not be provided to any household where for the household's first mortgage projected monthly housing cost, including mortgage principal, interest, taxes, and insurance, will exceed 30% of the household's gross income, or where the household's total debt will exceed 45% of the household's gross income. It is not, however, the intent of this plan to limit an individual household's ability to direct more than 30% of its income for housing if the first institutional mortgage lender is satisfied that the applicant household can afford mortgage payments in excess of the 30% benchmark. For that reason, the monthly housing cost to gross income ratio (front-end ratio) may be up to 35% as long as the back-end ratio does not exceed 45%. In such cases, the first mortgage lender must inform the county in writing of its determination. This determination must be based on specific characteristics applicable to the applicant, such as the applicant's short-term debts, the applicant having a good history of debt management, or other pertinent reasons. These requirements apply to all income categories. With the exception of very low and low-income Habitat for Humanity applicants, a household's monthly housing cost-to-income ratio (front-end ratio) shall not fall below 20%. Because Habitat for Humanity mortgages carry a 0% interest rate, Habitat for Humanity clients may have a monthly housing cost less than 20% of gross income. In the case of Habitat for Humanity clients, the front-end ratio may be as low as 17%.

Housing units constructed as new units, within one calendar year, substantially rehabilitated within one (1) calendar year prior to purchase, or units to be rehabilitated in conjunction with the purchase assistance loans shall be classified as constructed, rehabilitated, or repaired units;

Indian River County has a lending consortium consisting of local banks and financial institutions. Pursuant to the consortium's rules, consortium members waive certain fees and charge interest rates close to the Federal National

Exhibit I

Mortgage Association or Federal Home Loan Mortgage Corporation 30 to 60 day rate for principal mortgages provided to SHIP purchase assistance loan recipients. The maximum term of a first mortgage shall not exceed 30 years.

For SHIP purchase assistance with rehabilitation loans, the number of points, which may be charged by the financial institution providing the first mortgage, shall be as follows:

- For conventional loans, up to one (1) point may be paid from SHIP funds. If a lender does not charge any points on a principal mortgage associated with a SHIP purchase assistance loan, the lender may increase the interest rate on the first mortgage up to a maximum of 1 percentage point above the maximum interest rate referenced above
- For FHA loans, a maximum of one (1) point may be paid from SHIP funds
- For "bond program" loans only, more than one (1) point may be paid from SHIP funds;

For applicants to be eligible to receive SHIP funds for a purchase assistance with rehabilitation loan the first mortgage loan must be a fixed rate loan. No loan requiring a balloon payment is acceptable for any income group;

For all purchase assistance with rehabilitation loans a copy of the first mortgage title insurance must be provided to SHIP office; and

Purchase assistance loans may be leveraged with loans from financial institutions, USDA Rural Development, Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Community Workforce Housing Innovation Pilot Program (CWHIP), and other applicable State or Federal Programs.

- vii. Maximum purchase price shall not exceed 90% of the average area purchase price as established by the U.S. Treasury Department and published by Florida Housing Finance Corporation.
 - Maximum purchase price for new and existing single-family homes and condos is \$300,000.
- viii. Subordination of SHIP mortgages associated with first mortgage refinancing shall be subject to the following requirements.

No existing SHIP mortgage will be subordinated to a refinanced first mortgage unless the following requirements are met:

Requirements for a Refinanced First Mortgage			
Maximum Term Allowed	Maximum Interest Rate Allowed	Maximum First Mortgage Amount Allowed	Maximum Points Allowed
30 Years	Must be a fixed rate loan, and interest rate must be lower than the existing first mortgage interest rate.	Not to exceed the original first mortgage amount. Any available equity up to the original mortgage amount may be used for closing costs associated with the refinancing. No cash out to applicant	For purchase assistance loans up to 1 point allowed For other loans up to 2 points allowed

ix. Partial Loan Payment

The county’s Loan Review Committee (LRC) will review all requests for partial loan payments on a case-by-case basis. However, the county will not accept any partial loan payment less than 35% of the original loan, unless it is proven that it is in the best interest of the county to accept a partial loan payment of less than 35%.

C. **Purchase Assistance without Rehabilitation Loans** (Code #2)

a. Summary of the Strategy:

To assist eligible persons with down payment and closing costs principal reduction associated with the purchase of a home. Purchase assistance loans without rehabilitation are intended to be used by applicants who find new homes that do not need any rehabilitation.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (Not to exceed 50% of median income)

Low-Income Persons (between 51-80% of median income)

Moderate-Income Persons (between 81-120% of median income)

d. Maximum Award:

Very Low-Income Person	\$50,000
Low-Income Person	\$35,000
Moderate-Income Person	\$20,000

e. Terms, Recapture, Default:

Purchase assistance loans are deferred payment 20-year loans secured by a mortgage and note whereby repayment of the entire loan amount and accumulated interest occurs at the time that the eligible housing unit is sold, refinanced with cash out, or occupied by someone other than the original loan recipient. There will be a 0% simple annual interest rate for Purchase Assistance loans. After 20 years the original loan amount and accumulated interest will be forgiven. Eligible persons may repay the entire amount of the loan at any time. In the event of the death of the homeowner, an income-eligible heir may assume the county SHIP loan as long as the home is utilized as the household's homesteaded property.

f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first-qualified, first-served basis as may be adjusted per the LHAP based on ranking priorities, subject to funding availability. Applicants will have the following verified to confirm eligibility and for record management and reporting:

- ix. Income;
- x. Employment;
- xi. Assets;
- xii. First-time Homebuyer Status;
- xiii. Credit Verification and/or approval from the financial institution that is granting the first mortgage;
- xiv. Approval of the first mortgage from a financial institution;
- xv. Attendance and completion of County's Homebuyer's Educational Workshop (receiving the Homebuyer's Educational Workshop Certificate); and
- xvi. Disability Status.

g. Sponsor Selection Criteria:

N/A

h. Additional Information:

- i. Geographic Area

Purchase assistance loans may be made anywhere in the county, including all municipalities located within the county;
- ii. Housing Unit Classification

All housing units shall be owner-occupied single-family or condominium residences;

- iii. Purchase assistance loans can be given in combination with an impact fee/capacity charge loan for the construction of a new unit;
- iv. As structured, the program does not require an applicant to provide a minimum monetary contribution towards the down payment or closing costs. This program policy, however, does not exempt an applicant from a financial institution's minimum monetary contribution requirement, if applicable;
- v. No owner financing is allowed. All purchase assistance applicants must receive their first mortgage from a financial institution;
- vi. Except as otherwise provided for herein, SHIP purchase assistance funds shall not be provided to any household where for the household's first mortgage projected monthly housing cost, including mortgage principal, interest, taxes, and insurance, will exceed 30% of the household's gross income, or where the household's total debt will exceed 45% of the household's gross income. It is not, however, the intent of this plan to limit an individual household's ability to direct more than 30% of its income for housing if the first institutional mortgage lender is satisfied that the applicant household can afford mortgage payments in excess of the 30% benchmark. For that reason, the monthly housing cost to gross income ratio (front-end ratio) may be up to 35% as long as the back-end ratio does not exceed 45%. In such cases, the first mortgage lender must inform the county in writing of its determination. This determination must be based on specific characteristics applicable to the applicant such as the applicant's debts being short term, the applicant having a good history of debt management, or other pertinent reasons. These requirements apply to all income categories. With the exception of very low and low-income Habitat for Humanity applicants, a household's monthly housing cost-to-income ratio (front-end ratio) shall not fall below 20%. Because Habitat for Humanity mortgages carry a 0% interest rate, Habitat for Humanity clients may have a monthly housing cost less than 20% of gross income. In the case of Habitat for Humanity clients, the front-end ratio may be as low as 17%;

Housing units constructed as new units, within one calendar year, and substantially rehabilitated within one (1) calendar year prior to purchase shall be classified as new units;

Indian River County has a lending consortium, consisting of local banks and financial institutions. Pursuant to the consortium's rules, consortium members waive certain fees and charge interest rates close to the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation's 30- to 60-day rate for principal mortgages provided to SHIP purchase assistance loan recipients. The maximum term of a first mortgage shall not exceed 30 years.

For SHIP purchase assistance loans, the number of points, which may be

charged by the financial institution providing the first mortgage, shall be as follows:

- For conventional loans, up to one (1) point may be paid from SHIP funds. If a lender does not charge any points on a principal mortgage associated with a SHIP purchase assistance loan, the lender may increase the interest rate on the first mortgage up to a maximum of 1 percentage point above the maximum interest rate referenced above
- For FHA loans, a maximum of one (1) point may be paid from SHIP funds
- For "bond program" loans only, more than one (1) point may be paid from SHIP funds;

For applicants to be eligible to receive SHIP funds for a purchase assistance loan the first mortgage loan must be a fixed rate loan. No loan requiring a balloon payment is acceptable for any income group;

For all purchase assistance loans a copy of the first mortgage title insurance must be provided to SHIP office; and

Purchase assistance loans may be leveraged with loans from financial institutions, USDA Rural Development, Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Community Workforce Housing Innovation Pilot Program (CWHIP), and other applicable State or Federal Programs.

- viii. Maximum purchase price shall not exceed 90% of the average area purchase price as established by the U.S. Treasury Department and published by Florida Housing Finance Corporation.
 - Maximum purchase price for new and existing single-family homes and condos is \$300,000.
- viii. Subordination of SHIP mortgages associated with first mortgage refinancing shall be subject to the following requirements.

No existing SHIP mortgage will be subordinated to a refinanced first mortgage unless the following requirements are met:

Requirements for a Refinanced First Mortgage			
Maximum Term Allowed	Maximum Interest Rate Allowed	Maximum First Mortgage Amount Allowed	Maximum Points Allowed
30 Years	Must be a fixed rate loan, and interest rate must be lower than the existing first mortgage interest rate.	Not to exceed the original first mortgage amount. Any available equity up to the original mortgage amount may be used for closing costs associated with the refinancing. No cash out to applicant	For purchase assistance loans up to 1 point allowed For other loans up to 2 points allowed

x. Partial Loan Payment

The county’s Loan Review Committee (LRC) will review all requests for partial loan payments on a case-by-case basis. However, the county will not accept any partial loan payment less than 35% of the original loan, unless it is proven that it is in the best interest of the county to accept a partial loan payment of less than 35%.

D. Owner Occupied Emergency Rehabilitation Loans (Code #6)

a. Summary of the Strategy:

To fund all or a portion of the cost encountered for emergency repair of existing owner-occupied housing units to prevent further damage to the unit or to make it habitable with temporary repairs. This strategy shall be used in cases where the health department, a jurisdiction’s building official, SHIP administrator, or designee determines that a structure or other items, such as a septic tank, is in such condition that it threatens the occupant’s health or safety.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (not to exceed 50% of median income)

Low-Income Persons (51 to 80% of the county’s median income)

Moderate-Income Persons (81-120% of median income)

d. Maximum Award:

The maximum monetary award for an emergency repair loan shall not exceed:

Up to \$35,000 per single family, condominium-housing unit, mobile home.

e. Terms, Recapture, Default:

Emergency rehabilitation loans are deferred payment 10-year loans secured by a mortgage and note. The repayment of funds awarded as an emergency rehabilitation loan is not required, except in cases where the assisted housing unit is sold, refinanced with cash-out prior to termination of the unit's affordable classification timeframe, or occupied by someone other than the original loan recipient. In cases where the unit is sold, refinanced with a cash-out, or occupied by someone else, the entire original loan amount and accumulated interest must be paid back. There will be a 0% simple interest rate for emergency rehabilitation loans. After 10 years, the original loan amount and accumulated interest will be forgiven. Program income funds will be deposited in the county's affordable housing trust fund. Eligible persons may repay the entire amount of the loan at any time. In the event of the death of the homeowner, an income-eligible heir may assume the county SHIP loan as long as the home is utilized as the household's homesteaded property (rehabilitation loans in conjunction with CDBG funding will be forgiven upon the death of the homeowner).

f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified first served basis as may be adjusted per the LHAP based on ranking priorities, subject to funding availability. Applicants will have the following verified to confirm eligibility and for record management and reporting:

- i. Emergency needs identified by a building official, health department, or SHIP administrator
- ii. Income

First-time applicants will be given priority over previously assisted persons. Exceptions may be made for eligible property owners in cases where living conditions threaten the personal health and safety of the household. Property taxes must be current, and the property must not be in a foreclosure process.

g. Other Emergency Rehabilitation Loan Requirements:

The county's SHIP Program anticipates providing emergency rehabilitation loans to eligible, very low-income, low-income, and moderate-income households to fund all or a portion of the cost of emergency repair for existing single-family or condominium owner-occupied housing units. Emergency repair loans will not be awarded for repair work previously completed. All emergency repair work must be performed by licensed contractors. Applicants must first apply to their own home insurance for needed repairs.

Emergency rehabilitation loans may be awarded, if needed, for repair work activities that are essential to make a house safe for habitation and/or to prevent further damage to the house. Emergency repair loans may not be awarded in combination with purchase assistance loan assistance.

Emergency rehabilitations eligible for SHIP funding are limited to weatherization

activities and repair activities to prevent further damage to the house. Weatherization refers to materials or measures and their installation, which are used to improve the thermal efficiency of a residence. SHIP funds may be provided for emergency repairs with at least two written licensed contractor estimates and an expedited approval process. The contractor with the lowest bid will be awarded the job.

Emergency rehabilitation loans may be awarded for the following rehabilitation work activities.

- i. Roof repair/replacement when there is a recently active leak; the insurance company is requesting roof replacement to maintain insurance; and shoring activities to protect and stabilize the housing unit
- ii. Plumbing work found to be unsafe by a jurisdiction's building official or his designee
- iii. Electrical work found unsafe by a jurisdiction's building official or his designee
- iv. Repair/replacement of septic tank, lift station, drain field, or private well as required by the public health department, SHIP Administrator, or designee
- v. Demolition of unsafe structures as determined by the jurisdiction's building official
- vi. Mold and mildew remediation that is not covered by the homeowner's insurance
- vii. Payment of an applicant's homeowners insurance deductible in conjunction with a SHIP rehabilitation job when an applicant can get insurance funds for some of the needed work and it is determined by the SHIP administrator that it is in the best interest of the SHIP program and the applicant to pay for the insurance deductible

For any other rehabilitation needs, the applicant may apply under regular rehabilitation loan assistance strategies.

Emergency rehabilitation loan amounts shall be based upon the lowest written licensed contractor estimate for the scope of work, identifying all necessary repair work and the expected costs of the repair work. Once the contractor estimate is selected and the emergency repair loan amount, including contingencies, is established, no additional funds may be awarded. The contractor estimate must identify all potential costs (including building permit fees) to be encountered in completing the repair work. Change orders must be approved by the county.

The applicant or his contractor must obtain a building permit from the corresponding jurisdictional Department of Health or Building Department for all repair activities. The funds for emergency rehabilitation loans of less than \$5,000.00 shall be delivered upon completion of all repair work and a satisfactory final inspection by the corresponding jurisdictional Building Department that all required repair activities for the eligible housing unit are completed. Funds for emergency rehabilitation loans of \$5,000.00 or more may be delivered in individual draws, not to exceed three draws total, based upon the completion of individual components of the repair work and inspection by the corresponding jurisdictional Building Department or the local housing assistance program staff. Each partial draw, including the final draw of funds, shall not be less than \$5,000,

and it shall be delivered upon completion of all repair work and a satisfactory final inspection by the corresponding jurisdictional Building Department and the county-designated inspector that all required repair activities for the eligible housing unit are completed. No SHIP funds will be paid for any work completed prior to issuance of the county notice to proceed.

Emergency rehabilitation loans may be leveraged with private funds, Community Development Block Grant (CDBG) funds, weatherization funds, HUD transitional housing funds, or other state and federal programs as appropriate.

h. Additional Information:

i. Geographic Area

Emergency rehabilitation loans may be made anywhere in the county, including all municipalities located within the county.

ii. Housing Unit Classification

Emergency rehabilitation loans are only available for owner-occupied single-family homes, condominiums, and mobile homes.

E. Disaster Mitigation Loans (Code #5)

a. Summary of the Strategy:

To fund all or a portion of the cost encountered for disaster-related repair of existing owner-occupied housing units to prevent further damage to the unit or to make it habitable with temporary repairs. This strategy shall be used in the event of a disaster declared by state or federal executive order. This strategy will be implemented only in the event of a disaster using any funds that have not yet been encumbered and/or additional disaster funds issued by the Florida Housing Finance Corporation.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (not to exceed 50% of median income)

Low-Income Persons (51 to 80% of the county's median income)

Moderate-Income Persons (81 to 120% of median income)

d. Maximum Award:

The maximum monetary award for a disaster mitigation repair loan shall not exceed:
Up to \$30,000 per single family or a condominium-housing unit.

e. Terms, Recapture, Default:

Disaster mitigation repair loans are deferred payment 10 year loan secured by a mortgage and note. The repayment of funds awarded as a disaster mitigation repair loan is not required, except in cases where the assisted housing unit is sold, refinanced with a cash out prior to termination of the unit's affordable classification timeframe (10 years) or occupied by someone other than the original loan recipient. In cases where the unit is sold, refinanced with a cash out, or occupied by someone else, the entire original loan amount and accumulated interest must be paid back. There will be a 0% simple interest rate for disaster mitigation repair 10 year loans. After 10 years the entire loan amount and accumulated interest is forgiven. Eligible persons may repay the entire amount of the loan at any time. In the event of the death of the homeowner, an income-eligible heir may assume the county SHIP loan as long as the home is utilized as the household's homesteaded property.

f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified, first served basis subject to funding availability. Applicants will be chosen per the following criteria:

- i. Disaster-related rehabilitation needs
- ii. Income Eligibility
- iii. Disability Status

To expedite approval process, a Disaster Self Certification of Income Form may be utilized.

g. Other Disaster Mitigation Repair Loan Requirements:

The county's SHIP program anticipates providing disaster repair 10 year loans to eligible, very low income, low-income, and moderate income households to fund all or a portion of the cost of disaster repair for existing single-family or condominium owner occupied housing units. Disaster repair loans will not be awarded for repair work previously completed. All disaster repair work must be performed by licensed contractors. Disaster loans may not duplicate repairs that may be done by the resident's homeowners insurance, FEMA, and similar assistances.

Disaster repair loans may be awarded if needed for repair work activities which are essential to make a house safe for habitation and/or to prevent further damage to the house. Disaster repair loans may not be awarded in combination with a purchase assistance loan. Disaster repair loans will be used in the event of a natural, state, or federally declared disaster.

SHIP funds may be provided for disaster associated repairs with only one written licensed contractor estimate and expedited approval process.

Disaster repair loans may be awarded only for rehabilitation work activities related to a declared emergency or disaster. Disaster repair loans may be awarded for the following rehabilitation work activities.

Exhibit I

- i. Purchase of emergency supplies for eligible households to weatherproof damaged homes;
- ii. Interim repairs to avoid further damage; tree and debris removal required to make the individual housing habitable;
- iii. Construction of wells or repair of existing wells where public water is not available;
- iv. Payment of insurance deductibles for rehabilitation of homes covered under homeowner insurance and homeowner association policies;
- v. Repair or replacement of septic tanks damaged through a disaster; or
- vi. Other activities as proposed by the county and approved by Florida Housing Finance Corporation.

For any other rehabilitation needs, the applicant may apply under regular rehabilitation loan assistance strategies.

Disaster repair loan amounts shall be based upon a written licensed contractor estimate for the scope of work, identifying all necessary repair work and the expected costs of the repair work. The applicant shall choose a licensed contractor to complete the identified repair work. Once the contractor estimate is selected and the disaster repair loan amount including contingencies is established, no additional funds may be awarded. The contractor estimate must identify all potential costs (including building permit fees) to be encountered in completing the repair work. Change orders must be approved by the county.

The applicant or his contractor must obtain a building permit from the corresponding jurisdictional Building Department for all repair activities. The funds for disaster repair 10 year loans of less than \$5,000.00 shall be delivered upon completion of all repair work and a satisfactory final inspection by the corresponding jurisdictional Building Department and the county designated inspector that all required repair activities for the eligible housing unit are completed. Funds for disaster repair 10 year loans of \$5,000 or more may be delivered in individual draws, not to exceed three draws total, based upon the completion of individual components of the repair work and inspection by the corresponding jurisdictional Building Department and the county designated inspector or the local housing assistance program staff. Each partial draw including the final draw of funds shall not be less than \$5,000.00 and it shall be delivered upon completion of all repair work and a satisfactory final inspection by the corresponding jurisdictional Building

Department and the county designated inspector that all required repair activities for the eligible housing unit are completed. No SHIP funds will be paid for any work completed prior to issuance of the county notice to proceed.

Disaster repair loans may be leveraged with private funds, small city Community Development Block Grant (CDBG) funds, weatherization funds, HUD transitional housing funds, FEMA funds, or other state and federal programs as appropriate.

h. Additional Information:

i. Geographic Area

Disaster repair loans may be made anywhere in the county, including all municipalities located within the county.

ii. Housing Unit Classification

Eligible housing units receiving disaster repair 10 year loans must be owner-occupied single-family, or condominium residences. Mobile homes are not eligible.

F. **Impact Fee/Capacity Charge Loans** (Code #8)

a. Summary of the Strategy:

To assist income eligible persons with the cost of impact fees and/or water and sewer capacity charges for owner occupied housing units anywhere in Indian River County.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (Not to exceed 50% of median income).

Low-Income Persons (between 51-80% of median income).

Moderate-Income Persons (between 81-120% of median income) in conjunction with down payment/closing cost loans only.

d. Maximum Award:

The county provides loans for the actual amount of impact fees and capacity charges, not to exceed \$20,000 per unit for the cost of impact fees and/or capacity charges.

e. Terms, Recapture, Default:

Impact fee/capacity charge loans are deferred payment 10-year loans secured by a mortgage and note whereby repayment of the entire loan and accumulated interest will be forgiven after 10 years of occupancy. There will be 0% simple annual interest rate for impact fee/capacity charge loans.

The repayment of funds awarded as an impact fee/capacity charges loan is not required, except in cases whereby the eligible housing unit is sold, occupied by someone other than the original loan recipient prior to termination of the unit's affordable classification timeframe, or refinanced with cash out prior to termination of the affordability timeframe. In these cases, repayment of the entire original loan amount and accumulated interest is

required.

Program income funds will be deposited in the county's affordable housing trust fund.

In the event of the death of the homeowner, an income eligible heir may assume the county SHIP loan as long as the home is utilized as household's homesteaded property (rehabilitation loans in conjunction with CDBG funding will be forgiven upon death of homeowner).

SHIP Deferred Payment Loans (DPL), in conjunction with CDBG funded projects, will be forgiven in 5 years or upon death of the homeowner, whichever comes first.

f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified first served basis subject to funding availability. Applicants will be chosen per the following criteria:

- i. Income Eligibility
- ii. Employment Verification
- iii. Asset Verification
- iv. Homebuyer Status
- v. Disability Status

As needed, applicants may apply for a capacity charge loans when water or sewer service becomes available. First time applicants will be given priority over previously assisted persons. Exceptions may be made for eligible property owners in cases where living conditions threaten the personal health and safety of the household. Property taxes must be current and property must be free of code enforcement liens.

g. Sponsor Selection Criteria:

Non-profit organizations or for-profit developers may utilize this strategy only when the impact fee/capacity charge loan is a match for another housing program, such as the CDBG Program, Home Investments Partnership (HOME), Low Income Housing Tax Credit Program (LIHTC), State Apartment Incentive Loan Program (SAIL), Multi-Family Mortgage Revenue Bond Program, or other state and federal housing programs.

Non-profit organizations or for-profit developers eligible to participate in the local housing assistance program shall be selected according to the following criteria:

- i. Ability to proceed with the construction or rehabilitation activities and receive a certificate of occupancy within one year of the closing transaction date;
- ii. Number of units provided per year;
- iii. Ability to provide maximum leverage against SHIP funds;
- iv. The length of time the organization has been in Indian River County;

- v. Experience in the development of affordable housing;
- vi. The non-profit organization must be an entity with current 501(c)(3) tax-exempt status.

h. Additional Information:

i. Geographic Area

Impact fee/capacity charge loans may be made anywhere in the county, including all municipalities located within the county;

ii. Housing Unit Classification;

All housing units shall be owner-occupied; and

iii. Impact fee/capacity charge loans may be given in combination with purchase assistance or rehabilitation loans.

G. New Construction Federal or State Programs Matching Loans (Code #21)

a. Summary of the Strategy:

To assist non-profit organizations, and for-profit developers with matching funds needed to obtain federal or state housing programs funding for development of rental affordable housing projects.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (not to exceed 50% of median income)

Low-Income Persons (51 to 80% of the county's median income)

Moderate-Income Persons (81 to 120% of median income)

d. Maximum Award:

The maximum monetary award will be up to \$100,000 for each LIHTC project or it is capped at a maximum of \$25,000 per unit. These amounts may be administratively lowered by SHIP staff with Loan Review Committee approval if limited SHIP funds are available (due to a larger waiting/que list than funds available) and/or if a lower award amount will achieve the same point outcome for federal or state housing programs funding for development of rental affordable housing projects.

e. Terms, Recapture, Default:

The federal and state programs matching loans are Deferred Payment Loans (DPL).

The county will sign agreements with developers for performance of the loan. This DPL is secured by a recorded subordinate mortgage and note. The entire loan amount and interest accumulated will be forgiven after 10 years of compliance with federal and State housing program requirements. The compliance period for developments receiving SHIP funds as a match for any state and/or federal funds will be consistent with applicable state and federal fund requirements for 10 years of affordability. Monitoring of these developments will be done through the appropriate state or federal programs. The repayment of funds awarded as a matching loan is not required as long as the project is constructed and meets the federal or state housing program requirements, except in cases where the assisted housing has changed to a market rate prior to expiration of the affordability period. In that case, the entire original loan amount is due and payable.

There will be a 3% interest rate for matching loans.

Recaptured funds will be deposited in the county's affordable housing trust fund.

f. Sponsor Selection Criteria:

Non-profit organizations or for-profit developers eligible to participate in the local housing assistance program must submit a federal or state application to the appropriate agencies to qualify. Assistance will be provided to projects which receive an award of funds from a federal or state housing programs. Factors that may be considered in selecting the sponsor/developer may include, but is not limited to:

1. Capacity and Capability to Carry-out Project
2. Scale of Project/Utilization of Density Bonuses
3. Experience in Completing Similar Projects
4. Use of Personnel from Wages and Workforce Development Programs
5. Leveraging
6. Site Control
7. Neighborhood Compatibility with Area Redevelopment Plan
8. Creation of Mixed Income Communities
9. Recapture Provisions
10. Incorporation of Partnerships with Local Employers, Institutions, Hospitals and Schools
11. Incorporation of Transit-Oriented Design
12. Attractiveness of Design
13. Multistory Buildings Must Have Elevators and be ADA Compliant
14. Use of Green Building Techniques

g. Additional Information:

- i. Developers receiving assistance from both SHIP and the Housing Tax Credit (LIHTC) program shall be required to comply with the income, affordability and other LIHTC requirements. Similarly, any units receiving assistance from SHIP and other federal, State or local programs shall be required to comply with any requirements specified by the other program in addition to SHIP program requirements. In the event both programs have restrictions on the

same issue, the more restrictive regulation shall take precedence. If one program is silent on an issue, the program with a regulation on the issue shall apply. 67-37.007(12) F.A.C.;

ii. Geographic Area

Matching loans may be made anywhere in the county, including all municipalities located within the county.

iii. Housing Unit Classification

Eligible housing units provided by federal or state housing funds may be rented or owner-occupied.

H. Foreclosure Prevention (Code #7)

a. Summary of the Strategy:

To assist income-eligible applicants to prevent foreclosure. This is a one-time assistance only. Applicants requesting assistance must be able to prove that their financial situation is temporary and is due to a change in the family status, including but not limited to serious medical illness, divorce or separation, death in the family, unforeseen home repair bills, a reduction in the number of scheduled work hours, increased insurance premiums, increased homeowner's association fees or a job loss that was not the fault of the recipient.

b. Fiscal Years Covered: FY 2024-2025, FY 2025-2026, and FY 2026-2027

c. Income Categories to be Served:

Very Low-Income Persons (Not to exceed 50% of median income).

Low-Income Persons (between 51-80% of median income).

d. Maximum Award:

The maximum award amount shall not exceed \$8,000.

e. Terms, Recapture, Default:

Foreclosure Prevention loans are a deferred payment of 2-year loans secured by a mortgage and note whereby repayment of the entire loan and accumulated interest will be forgiven after 2 years of occupancy. There will be a 0% simple annual interest rate for impact fee/capacity charge loans.

The repayment of funds awarded as a foreclosure prevention loan is not required, except in cases whereby the eligible housing unit is sold, occupied by someone other than the original loan recipient prior to termination of the unit's affordable classification timeframe, or refinanced with cash out prior to termination of the affordability timeframe. In these cases, repayment of the entire original loan amount and accumulated interest is required.

Program income funds will be deposited in the county's affordable housing trust fund.

In the event of the death of the homeowner, an income-eligible heir may assume the county SHIP loan as long as the home is utilized as the household's homesteaded property.

f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified first served basis subject to funding availability. Applicants will be chosen per the following criteria:

- vi. Income Eligibility
- vii. Employment Verification
- viii. Asset Verification
- ix. Disability Status

First-time applicants will be given priority over previously assisted persons. Property taxes must be current, and property must be free of code enforcement liens.

g. Additional Information:

1. Property taxes and homeowner's insurance must be paid current unless these amounts were being escrowed as part of the mortgage payment.
2. The property shall have no other liens other than the first mortgage or previous SHIP, CDBG, or NSP liens.
3. No assistance will be provided to any property owner whose home is in the process of foreclosure or who has delinquent tax liens or other liens, with the exception of a previous SHIP, CDBG, or NSP lien against it.