

Okaloosa County/City of Fort Walton Beach

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)
2025-2026, 2026-2027, 2027-2028



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I. Program Details:

A. LG(s)

Name of Local Government	Okaloosa County BCC
Does this LHAP contain an interlocal agreement?	Yes
If yes, name of other local government(s)	City of Fort Walton Beach

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 comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2025-2026, 2026-2027, 2027-2028

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 match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face-to-face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach: 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. Waiting List/Priorities: A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time completed applications were



submitted as well as any established funding priorities as described in this plan.

The following priorities for funding (very low income, Special Needs, etc.) described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

All strategies will serve households meeting the definition of Special Needs (420.0004 (13), F.S.) first. After Special Needs requirements are met, applications will be assisted for each strategy to meet the very low and low income set-asides. Once all set-asides have been met applications will be assisted for essential services personnel.

- 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 that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the 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 for 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 moneys deposited in the local housing assistance trust fund are 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
Local Government	All Administrative Duties	10%
Third Party Entity/Sub-recipient		

- 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:** Project Delivery Cost will be used to pay for the following services:
- a. Inspection Fees – Initial Inspection, Pre-bid meeting, and work write up-\$500. Each additional inspection-\$150. Not to Exceed a total of \$950 under the Occupied Homeowner Rehabilitation strategy.
 - b. Recording Fees - \$150 under all strategies except Disaster Assistance
 - c. Wire Transfer Fees - \$50 under the Purchase Assistance and New Construction strategies.
 - d. HUD Approved First-Time Homebuyer Education Course - \$250 under Purchase Assistance and New Construction
- T. Essential Service Personnel Definition (ESP):** **ESP includes** Essential Service Personnel will be defined as a person permanently employed in Okaloosa County in one of the following fields; Health Care Personnel, Law Enforcement, Public Safety, Fire Personnel, Teachers, Educators and school district personnel, Skilled Building Personnel in accordance with Florida Statute 420.9075.
- U. Describe efforts to incorporate Green Building and Energy Saving products and processes:** The county will, when economically feasible, employ the following Green/Energy saving requirements on new construction, rehabilitation, and emergency repairs: weather stripping and caulking; energy efficient HVAC units; increased attic insulation; low-flow plumbing fixtures. All appliances purchased and installed must have an Energy Star rating.
- V. Describe efforts to meet the 20% Special Needs set-aside:** The County will work with social service agencies such as Okaloosa County Council on Aging and individual households designated as Special Needs in Florida Statue 420.0004 (13). The goals will be met through the Homeowner Rehabilitation, Rental Development, and Emergency Repair Strategies with emphasis on home modifications and enhancements that will allow homeowners to remain independent and in their own homes and the development of units designated for households with as Special Needs.
- W. Describe efforts to reduce homelessness:** The County will refer individuals and households to other agencies, such as the Homelessness and Housing Alliance in Okaloosa County that can assist with past due rents and move-in assistance. The County can provide assistance through SHIP homeowner rehabilitation and emergency repair strategies to keep households in their homes. Additionally, the County has used SHIP and NSP to provide 75 low-income rental units.

Section II. LHAP Strategies:

A. Owner Occupied Rehabilitation	Code 3
a. Summary: This strategy is designed to assist owner occupied homes in the correction of code violations, health hazards and life and safety issues through the necessary repairs or replacement of structural components, roofing, HVAC, exterior doors, windows, electrical and plumbing.	



- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$ 75,000
- e. Terms:
 1. Repayment loan/deferred loan/grant: Deferred payment loan secured by a recorded mortgage and note.
 2. Interest Rate: 0%
 3. Years in loan term: 5 years
 4. Forgiveness: Loan will be forgiven at the rate of 20% per year of the term.
 5. Repayment: No repayment 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 primary residence. 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 repayment.

- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as described in section I. (I) of this plan.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
 - Mobile and Manufactured Homes are not eligible.

B. Purchase Assistance - First-Time Homebuyer Program	Code 1,2
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a. Summary: The Purchase Assistance strategy is created to assist first-time homebuyers with the costs of purchasing existing or newly constructed (with a Certificate of Occupancy) eligible housing. Eligible costs include: down payment, closing costs, mortgage buy down, principal reduction, rehabilitation/repairs, efficiency upgrades, and other costs associated with purchasing a home. Eligible housing includes single-family homes, townhomes/duplex, condominiums.
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- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: Traditional Purchase Assistance: \$65,000

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred payment loan secured by a recorded mortgage and note.
2. Interest Rate: 0%
3. Years in loan term: 10
4. Forgiveness: 10-year loan forgiven at 50% after the 5th year, and 10% per year forgiven for each remaining year, provided that the homebuyer is not in default of program terms.
5. Repayment: No repayment 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 primary residence. 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 repayment.

f. Recipient/Homebuyer Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as described in section I. (I) of this plan.

1. Receive a first mortgage lender approval
2. Homebuyers must complete a HUD-Certified first-time homebuyer education class.
3. Applicants that qualify for SHIP funding will be required to abide by all SHIP program guidelines, Okaloosa County SHIP mortgage requirements, repayment provisions, and certify that the unit assisted will be the primary residence.

g. Sponsor Selection Criteria: N/A

h. Additional Information:

1. Loan will be awarded in the amount required for the homebuyer to purchase the property up to the maximum award permitted.
2. Mobile Homes are not eligible.
3. Certified Home Inspection is required
4. Funds may be leveraged with federal, state, and private funds as well as donations
5. Rehabilitation or repairs if required, with a minimum cost of \$5,000 can be paid with SHIP funds. If rehabilitation costs exceed the amount necessary to purchase the property, SHIP funds will not cover the repair costs.
6. Energy Efficient upgrades are encouraged for all homes that have not undergone construction repairs within 12 months of the borrower's purchase.

C. Purchase Assistance – Community Land Trust	Code 1,2
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| a. | Summary: The Purchase Assistance strategy is created to assist first-time homebuyers with the costs of purchasing new or existing homes from a community land trust (CLT). Eligible costs include: down payment, closing costs, mortgage buy down, principal reduction, rehabilitation/repairs, efficiency upgrades, and other costs associated with purchasing a home. Eligible homes include single-family homes, townhomes/duplex, condominiums. |
|----|---|
- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$65,000
- e. Terms: (see “Additional Information” or special terms for CLT home purchases)
1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred payment loan secured by a recorded mortgage and note, that is assumable by each subsequent income qualified purchaser with prior approval by the CLT. The security interest provided shall be solely on the home and improvements, not the underlying land.
 2. Interest Rate: 0%
 3. Years in loan term: 15 years
 4. Forgiveness: If the loan remains in good standing, assistance will be forgiven at the end of the loan term but will be retained as permanent subsidy via the CLT ground lease which will survive the term of the loan and will address the requirements for residency, resale price, subsequent buyer’s income eligibility as well as to assure that units served remain affordable in perpetuity.
 5. Repayment: Not required if the loan is in good standing.
 6. Default: The loan will be determined to be in default if any of the following occurs:
 - a. Sale, transfer, or conveyance of the property to a buyer that was not pre-approved or deemed eligible pursuant to the requirements of this strategy by the CLT.
 - i. However, it shall not be an event of default if the loan is assumed by an income-eligible homebuyer, if the assumed loan is reflected in the contract for sale, and the sale is approved by the CLT to ensure the assisted home remains affordable in perpetuity;
 - b. Conversion to a rental property;
 - c. Loss of homestead exemption status or failure to occupy the home as primary residence;
 - d. Unit is refinanced (includes home equity loans or lines of credit) without prior authorization from the CLT;
 - e. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an eligible heir who will occupy the home as a primary residence as established in the ground lease. If the legal heir does not comply or qualify, the heir may, within six months of becoming legal owner, sell the unit at the resale restricted price to an income eligible buyer that can assume the mortgage and note, as approved by the CLT. Otherwise, the transfer of ownership is considered default and the outstanding balance will be due and payable.



If any of these occur, the outstanding balance will be due and payable unless otherwise noted.

If a superior mortgage holder accelerates the loan or forecloses upon the home, the County will attempt to obtain repayment of funds via the legal process if the County determines that adequate funds may be available to justify pursuing repayment.

- f. Recipient Selection Criteria:
 - 4. Applicants will be ranked for assistance based first on priorities established in part “I” of the first section of this plan and then on a first-qualified, first-served basis.
 - 5. CLT homebuyers must complete a homebuyer education class that contains a community land trust component and/or session with the CLT in addition to a homebuyer education class that requires CLT buyers to demonstrate and attest to a clear understanding of the terms of community land trust homeownership.
 - 6. First mortgage lender approval, if applicable.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
 - 7. Subsidy for the purchase of home, will be awarded at the maximum amount to reduce the base price dollar-for-dollar for initial and subsequent homebuyers via the CLTs stewardship of the ground lease.
 - 8. Mobile homes are not eligible.
 - 9. Certified Home Inspection is required
 - 10. Certificate of Occupancy is required for all new construction homes
 - 11. Funds may be leveraged with federal, state, and private funds as well as donations

Terms for CLT home purchases: This SHIP assistance is assumable to an income-eligible purchaser. The terms of the Note and Mortgage shall allow subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment required during the term of the loan, provided the loan remains in good standing. Please see Exhibit H for additional instructions and information for CLT purchases.

D. Disaster Recovery	Code 5, 16
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| a. | <p>Summary: 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:</p> <ul style="list-style-type: none"> 1. Immediate threats to health and life safety (sewage, damaged windows, roofing) in cases where the home is still habitable. 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 (exposed wires) 5. Temporary rent and utility payments for up to 6 months for tenants financially impacted by a Declared Disaster. 6. Temporary mortgage and utility payments for up to 6 months for homeowners financially impacted by a declared Disaster. |
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- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$20,000
- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Grant
 - 2. Interest Rate: 0%
 - 3. Years in loan term: N/A
 - 4. Forgiveness: N/A
 - 5. Repayment: N/A
 - 6. Default: N/A
- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as described in section I. (I) of this plan No applicant who has received emergency repairs under this strategy will be eligible to rejoin the waiting list or reapply within the same disaster period. Additional priorities will be given in the following order of assistance:
 - 1. Very Low Income, was SHIP eligible before Disaster Period
 - 2. Low income, was SHIP eligible before Disaster Period
 - 3. Renters within current affordability periods assisted previously with SHIP and NSP grants.
 - 4. Homeowners with current SHIP mortgages.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
 - 1. If homeowner is insured, proceeds from the insurance must be used before SHIP funds, except for the payment of the deductible.
 - 2. Funds for disaster repairs will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the disaster.

E. Rental Development	Code 14, 21
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a. Summary: This strategy will award funding to for-profit and 501(c)3 nonprofit organizations to assist in the acquisition, construction, or rehabilitation of new and existing multi-family or single-family rental housing in Okaloosa County, prioritizing special needs households as defined by Section 420.0004(13), F.S. when combined with an additional funding source. Rental developments can include, multi-family or single-family rental units, transitional/group housing, senior rental facilities, or the portion of a mixed-use facility.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$ 30,000.00 per unit; not to exceed \$ 360,000.00 for entire development
- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Deferred payment loan secured by a recorded mortgage and



note.

2. Interest Rate: 0%
3. Years in loan term: 15 years
4. Forgiveness: Loan will be forgiven at the end of the term.
5. Repayment: No repayment 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, conveyance of property; failure to serve as a rental development for very low, low, moderate income and special needs populations; failure to obtain and maintain insurance; If any of these occur, the outstanding balance will be due and payable.

If the structure 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.

- f. Recipient/Tenant Selection Criteria: Applications for income-eligible households will be ranked for assistance based on a first-qualified, first-served basis with the priorities as described in section I. (I) of this plan.
- g. Sponsor Selection Criteria: Assistance is awarded on a competitive basis to applicant sponsors meeting the following criteria:
 1. Sponsors must have successfully completed projects similar to those being developed and in a timely manner, thus demonstrating capacity to develop affordable housing;
 2. Their financial accountability standards permit Okaloosa County to account for and audit the SHIP funds utilized, in order to meet the state statutory requirements of the SHIP Program relating to beneficiaries and units assisted;
 3. They have administrative capacity to provide all necessary income and demographic documentation by agreed upon date of the final expenditure year;
 4. They demonstrate or document ability to proceed: zoning, infrastructure, site control, financing, etc. Final approval will be given and funds obligated once the eligible applicant has been approved for financing or other funds have been secured and Okaloosa County Housing Division has received the appropriate documentation in support of each request.
 5. Project eligibility will be determined by the AHAC, utilizing a rating scale. Thus, making a recommendation of award with a priority given to projects that include units for very low-income population and/or accessible units for persons with special needs.
- h. Additional Information:
 1. SHIP funds will cover up to a maximum of 75% of project costs.
 2. Additional funding sources can be from state/federal housing programs, or a public/private contributor.
 3. Sponsors will be required to be monitored and report to the County for the entirety of the loan term beginning the date of the funding year close out. When the sponsor's additional funding is received by Florida Housing Finance Corporation (FHFC), the County will defer to FHFC's monitoring and request the report submitted to FHFC.

F. Demolition/Reconstruction	Code 4
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| a. | Summary: This strategy will be implemented in partnership with for-profit, non-profit organizations or government agencies to partially cover the cost of constructing affordable replacement homes. This strategy will provide replacement housing for SHIP-eligible, owner-occupied, homesteaded single family homes that are unfeasible for rehabilitation (the structure is determined to be in need of repairs in excess of 50% of the value of the home). |
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- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$ 150,000.00
- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred payment loan secured by a recorded mortgage and note.
 2. Interest Rate: 0 %
 3. Years in loan term: 15
 4. Forgiveness: Loan will be forgiven at the end of the term
 5. Repayment: No repayment 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 primary residence. 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 repayment.
- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as described in section I. (I) of this plan.
- g. Sponsor/Sub-recipient Selection Criteria: N/A
- h. Additional Information:
1. Only those dwellings occupied by eligible homeowners wishing to participate in a voluntary demolition will be considered qualified for replacement.
 2. If there is a first mortgage, lender must agree to the demo/reconstruction.
 3. The home is found to be unfit for human habitation in accordance with standards set forth in the Florida Building Code.
 4. The home has been determined to be structurally unfeasible for rehabilitation or rehabilitation costs exceed the allowed limit in the Rehabilitation strategy; the homeowner agrees to permit the County



- to have the dilapidated structure demolished.
- 5. The homeowner agrees to sign a lien against the property which would require repayment of the mortgage. If property is sold, transferred or refinanced, mortgage becomes due and payable or property reverts back to County.
- 6. Homeowners assisted under this strategy must obtain temporary housing on their own.
- 7. Condos and other attached homes are not eligible.
- 8. Asset Limitation: Applicants owning family assets exceeding \$25,000, excluding retirement plans, are ineligible to receive assistance.
- 9. An applicant cannot apply for this program directly. Applicants who apply for owner-occupied rehabilitation whose homes cannot be adequately repaired to provide a safe/sanitary unit may be moved to this program as determined by housing staff and engineering/inspection reports.

G. Single Family Acquisition/Rehabilitation/Construction	Code 9,10
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a.	Summary: This strategy is designed to award funds for-profit and 501(c)3 nonprofit organizations to assist with the acquisition, rehabilitation, and development of existing and newly constructed housing to be sold to income-eligible first-time homebuyers. Funds may be used for acquisition (including land), soft costs, infrastructure and development costs, demolition, construction, rehabilitation, financing, buy down, developer fees and all other eligible acquisition and construction related costs. Homebuyer can receive down payment assistance to make home affordable.
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- b. Fiscal Year Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, low, moderate
- d. Maximum award: Sponsor: \$200,000 per unit
Homebuyer: \$65,000
- e. Terms:
 - Sponsor Terms:
 - 1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred loan secured by a recorded mortgage and note until conveyed to the buyer.
 - 2. Interest Rate: 0 %
 - 3. Years in loan term: 2 years
 - 4. Forgiveness: The County will satisfy the promissory note(s) and release any restrictive covenant(s) with the sponsor upon conveyance to income-eligible homebuyer.
 - 5. Repayment: Not required as long as the loan is in good standing. Once the acquisition, rehabilitation, or construction is complete and sold to an income eligible buyer, the proceeds from the sale of the property will be used to pay off 100% of the developer's loan for that property. An acceptable developer fee (up to 20%) will be determined by the County. If all conditions are met, the County will release the property and satisfy the mortgage.
 - 6. Default: The loan(s) will be in default if the Sponsor fails to complete repairs or construct and sell the assisted home to an income eligible buyer within the contractual timeframe. The County will recapture the subsidy and/or property if the housing has not been completed within the term of the recorded Mortgage Agreement(s).

Homebuyer Terms:

1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred loan secured by subordinate mortgage and note.
2. Interest Rate: 0 %
3. Years in loan term: 15 years
4. Forgiveness: If the loan remains in good standing, assistance will be forgiven at the end of the loan term.
5. Repayment: Not required if 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 rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. 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 repayment.

- f. Homebuyer Selection Criteria: Applicants will be ranked for assistance based first on priorities established in part "I" of the first section of this plan and then on a first-qualified, first-served basis. Homebuyers must meet the following criteria.
 1. Qualify for a first mortgage through a qualified lender or approved not-for-profit sponsor providing first mortgage financing
 2. Homebuyers must complete a HUD-Certified First-Time Homebuyer education class within 12 months prior to closing.
 3. Applicants that qualify for SHIP funding will be required to abide by all SHIP program guidelines, Okaloosa County SHIP mortgage requirements, repayment provisions, and certify that the unit assisted will be the primary residence.
- g. Sponsor Selection Criteria: Applications from potential sponsors will be reviewed on a competitive basis. Priority will be given to sponsors in the following order:
 1. Quantity and quality of experience in affordable housing development;
 2. Experience in developing and/or stewarding Sponsor/CLT homes for permanent affordability;
 3. Financial strength of the sponsor, including the ability to leverage funds from other sources;
 4. Ability of the sponsor to complete the project by deadlines established by the County;
 5. Capacity of the sponsor;
 6. Contract for sale/conveyance or site control;
 7. Property and/or land appraisal to establish the value
- h. Additional Information:
 1. Funds may be leveraged with federal, state, and private funds as well as donations
 2. Developers will be required to submit proposals to provide housing that conforms to the County's proposal request specifications, neighborhood redevelopment plans and the Comprehensive Plan.



3. Eligible properties include single-family housing or the single-family portion of a mixed-use facility.
4. Developers will provide a budget for acquisition and rehabilitation and the County will pay for project expenses on a reimbursement basis.
5. In all cases the property must be brought up to code before it is sold to an income eligible buyer.
6. A homebuyer may only receive assistance once in a lifetime.

H. Community Land Trust Capacity Development	Codes 9, 10
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a. Summary: Funds will be awarded to Community Land Trusts (CLT) as a cost buy down reducing the base sales price for the construction of new homes or the acquisition of new and existing homes that are sited on land that is, or will be, owned by a CLT. Assisted homes will be for sale to eligible first-time homebuyers. Funds may be used for acquisition (including land), soft costs, infrastructure and development costs, demolition, construction, rehabilitation, financing, buy down, developer fees and all other eligible acquisition and construction related costs.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very low, Low, Moderate
- d. Maximum award: \$200,000
- e. Terms
 Sponsor Terms:
 1. Repayment loan/deferred loan Funds will be awarded as deferred payment loans secured by recorded mortgages and notes.
 - SHIP funds will be awarded as a deferred loan secured by a recorded mortgage and note for the acquisition, development, and other eligible costs related to the improvements (home) 100% of which shall be converted to a mortgage and retained as permanent subsidy to the benefit of the eligible initial and subsequent buyer.
 2. Interest Rate: 0%
 3. Years in loan term: 2 years
 4. Forgiveness: If the loan(s) is in good standing upon sale of the property to an eligible homebuyer, the County will satisfy the promissory note(s) and release any restrictive covenant(s) with the Sponsor/CLT.
 5. Repayment: Not required if the loan is in good standing.
 6. Default: The loan(s) will be in default if the CLT fails to construct and sell the assisted unit(s) to an eligible buyer and execute a ground lease within the contractual timeframe. The County will recapture the subsidy and/or property if the housing has not been completed within the term of the recorded Mortgage Agreement(s).
 Recipient Terms:
 1. Repayment loan/deferred loan: Funds will be awarded as a deferred payment loan secured by a recorded mortgage and note totaling 100% of the acquisition, development, and other eligible costs related only to the improvements (home but not to include the underlying land), that is assumable by



each subsequent income qualified purchaser with prior approval by the CLT. The security interest provided shall be solely on the home and improvements, not the underlying land.

2. Interest Rate: 0%
3. Years in loan term: 15 years
4. Forgiveness: If the loan remains in good standing, assistance will be forgiven at the end of the loan term but will be retained as permanent subsidy via the CLT ground lease which will survive the term of the loan and will address the requirements for residency, resale price, subsequent buyer's income eligibility as well as to assure that units served remain affordable in perpetuity.
5. Repayment: Not required if the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs:
 - Sale, transfer, or conveyance of the property to a buyer that was not pre-approved or deemed eligible pursuant to the requirements of this strategy by the CLT.
 - However, it shall not be an event of default if the loan is assumed by an income-eligible homebuyer, if the assumed loan is reflected in the contract for sale, and the sale is approved by the CLT to ensure the assisted home remains affordable in perpetuity;
 - Conversion to a rental property;
 - Loss of homestead exemption status or failure to occupy the home as primary residence;
 - Unit is refinanced (includes home equity loans or lines of credit) without prior authorization from the CLT;
 - In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an eligible heir who will occupy the home as a primary residence as established in the ground lease. If the legal heir does not comply or qualify, the heir may, within six months of becoming legal owner, sell the unit at the resale restricted price to an income eligible buyer that can assume the mortgage and note, as approved by the CLT. Otherwise, the transfer of ownership is considered default and the outstanding balance will be due and payable.

If any of these occur, the outstanding balance will be due and payable unless otherwise noted.

If a superior mortgage holder accelerates the loan or forecloses upon the home, the County will attempt to obtain repayment of funds via the legal process if the County determines that adequate funds may be available to justify pursuing repayment.

- f. Recipient Selection Criteria:
 - Applicants will be ranked for assistance based first on priorities established in part "I" of the first section of this plan and then on a first-qualified, first-served basis.
 - CLT homebuyers must complete a homebuyer education class that contains a community land trust component and/or session with the CLT in addition to a homebuyer education class that requires CLT buyers to demonstrate and attest to a clear understanding of the terms of community land trust homeownership.
 - First mortgage lender approval, if applicable.
- g. Sponsor Selection Criteria: Applications from potential sponsors/CLTs will be reviewed on an ongoing basis. The criteria to select sponsors may include, but is not limited to, the following:



- Community land trusts that meet the definition of a “community land trust” under section 193.018 of the Florida Statutes. Preference will be given to CLTs that have been certified or are in the process of certification by the Florida Community Land Trust Institute.
- Quantity and quality of experience in affordable housing development;
- Experience in developing and/or stewarding CLT homes for permanent affordability;
- Financial strength of the sponsor, including the ability to leverage funds from other sources;
- Ability of the sponsor to complete the project by deadlines established by the County; and
- Capacity of the sponsor; and
- Contract for sale/conveyance or site control.

h. Additional Information:

Subsidy for the acquisition, development, construction and rehabilitation of units, new or existing, will be awarded at the maximum amount to reduce the base price dollar-for-dollar for initial and subsequent homebuyers via the CLTs stewardship of the ground lease.

This type of assistance may first require that the CLT take ownership of the property (land & existing improvements) and sell the improvements and enter into a ground lease with the eligible buyer.

Terms for CLT home purchases: This SHIP assistance is assumable to an income-eligible purchaser. The terms of the Note and Mortgage shall allow subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment required during the term of the loan, provided the loan remains in good standing. Please see Exhibit I for additional instructions and information for CLT purchases.

I. Manufactured Housing (Mobile Homes)	Code 3, 28, 29
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- | |
|---|
| <p>a. Summary: The manufactured housing strategy may provide funds for:</p> <ol style="list-style-type: none"> 1. Relocation assistance for persons who are deprived of affordable housing due to closure of a mobile home park in accordance with 723.003, F.S. (code 28) 2. Lot rent assistance to owners of manufactured housing/mobile homes not to exceed six months (code 29) 3. Rehabilitation/emergency repairs (code 3) |
|---|

b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029

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

d. Maximum award: \$10,000 (relocation assistance)
\$5,000 (lot rental assistance)
\$15,000 (rehab/emergency repairs)

e. Terms:

1. Repayment loan/deferred loan/grant: For relocation assistance and lot rent assistance, the funds are awarded as a grant. For rehab/emergency repairs the loan is secured by a note and mortgage/lien.



2. Interest Rate: 0%
3. Years in loan term: N/A for relocation assistance and lot assistance, 10 years for rehab/emergency repairs
4. Forgiveness: N/A for relocation assistance and lot assistance, forgiven at the end of the term for rehab/emergency repairs.
5. Repayment: N/A for relocation assistance and lot assistance. None required for rehab/emergency repairs as long as loan is in good standing.
6. Default: N/A for relocation assistance and lot assistance. For rehab/emergency repairs, 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 primary residence. 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 repayment.

- f. Recipient/Tenant Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis with priorities detailed in Section I.I being met first.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Manufactured housing constructed after June 1994 is eligible.

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.

Section 1A.05.00 of the Okaloosa County Land Development Code provides a fast-track review process for development orders and building permit applications for projects that provide affordable housing. The City of Fort Walton Beach's Development Services Division policy allows for expedited affordable housing projects to the greatest extent possible, while meeting all local, state, and federal regulations.

- 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.



Okaloosa County and the City of Fort Walton Beach as applies to its jurisdictions, shall route to the Okaloosa County/City of Fort Walton Beach Affordable Housing Advisory Committee for review and comment any proposed policy, ordinance, regulation, or plan provision that could affect the affordability of housing no less than thirty (30) days prior to the first public hearing of any said policy ordinance, regulation or plan provision.

- C. Other Incentive Strategies Adopted: N/A

IV. EXHIBITS:

Required

- 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.

Optional

- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement (Required if applicable).
- H. Additional Instructions and Information for Assistance for Community Land Trust Homes
- I. Additional Instructions and Information for Down Payment Assistance for Community Land Trust Purchases

(**Okaloosa County and The City of Fort Walton Beach**

Fiscal Year: 2025-2026	
Estimated SHIP Funds for Fiscal Year:	\$ 1,850,000.00
Salaries and Benefits	\$ 155,675.00
Office Supplies and Equipment	\$ 13,275.00
Travel Per diem Workshops, etc.	\$ 11,050.00
Advertising	\$ 5,000.00
Other*	\$ -
Total	\$ 185,000.00
Admin %	10.00%
	OK
Fiscal Year 2026-2027	
Estimated SHIP Funds for Fiscal Year:	\$ 1,850,000.00
Salaries and Benefits	\$ 155,675.00
Office Supplies and Equipment	\$ 13,275.00
Travel Per diem Workshops, etc.	\$ 11,050.00
Advertising	\$ 5,000.00
Other*	\$ -
Total	\$ 185,000.00
Admin %	10.00%
	OK
Fiscal Year 2027-2028	
Estimated SHIP Funds for Fiscal Year:	\$ 1,850,000.00
Salaries and Benefits	\$ 155,675.00
Office Supplies and Equipment	\$ 13,275.00
Travel Per diem Workshops, etc.	\$ 11,050.00
Advertising	\$ 5,000.00
Other*	\$ -
Total	\$ 185,000.00
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:	

Exhibit B
Timeline for SHIP Expenditures

Okaloosa County and the City of Fort Walton Beach affirms that funds allocated for these fiscal years will meet the following deadlines:

Fiscal Year	Encumbered	Expended	Closeout Report
2025-2026	6/30/2027	6/30/2028	9/15/2028
2026-2027	6/30/2028	6/30/2029	9/15/2029
2027-2028	6/30/2029	6/30/2030	9/15/2030

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

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2025-2026	3/30/2028	6/15/2028
2026-2027	3/30/2029	6/15/2029
2027-2028	3/30/2030	6/15/2030

Requests for Expenditure Extensions (close-out year ONLY) must be emailed to robert.dearduff@floridahousing.org and kathy.cutler@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/timeline 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.

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.

ACFR financial statements are due each June 30 for the report ending September 30 of the previous year.

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2025-2026												
Name of Local Government: Okaloosa County & the City of Fort Walton Beach												
Estimated Funds (Anticipated allocation only):			\$ 1,850,000									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
3	Owner Occupied Rehabilitation	Yes	2	\$75,000	2	\$75,000			\$300,000.00	\$0.00	\$300,000.00	4
1,2	Purchase Assistance	Yes	2	\$65,000	3	\$65,000	1	\$65,000	\$390,000.00	\$0.00	\$390,000.00	6
5,16	Disaster Recovery	Yes	2	\$20,000	1	\$20,000			\$60,000.00	\$0.00	\$60,000.00	3
4	Demolition/Reconstruction	Yes	1	\$150,000	0	\$150,000			\$150,000.00	\$0.00	\$150,000.00	1
9,10	New Construction: Single Family Acquisition/Rehabilitation/Construction	Yes	1	\$200,000	1	\$200,000			\$400,000.00	\$0.00	\$400,000.00	2
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		8		7		1		\$1,300,000.00	\$0.00	\$1,300,000.00	16
Purchase Price Limits:			New	\$ 450,000	Existing	\$ 450,000						

OK

OK

Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
14,21	Rental Development	Yes		\$360,000	1	\$360,000			\$360,000.00	\$0.00	\$360,000.00	1
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		1		0		\$360,000.00	\$0.00	\$360,000.00	1
	Administration Fees		\$ 185,000		10%		OK					
	Home Ownership Counseling		\$ 5,000									
Total All Funds			\$ 1,850,000 OK									

Set-Asides

Percentage Construction/Rehab (75% requirement)		89.7%	OK
Homeownership % (65% requirement)		70.3%	OK
Rental Restriction (25%)		19.5%	OK
Very-Low Income (30% requirement)	\$ 670,000	36.2%	OK
Low Income (30% requirement)	\$ 565,000	30.5%	OK
Moderate Income	\$ 65,000	3.5%	

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2026-2027												
Name of Local Government:			Okaloosa County & the City of Fort Walton Beach									
Estimated Funds (Anticipated allocation only):			\$ 1,850,000									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
3	Owner Occupied Rehabilitation	Yes	2	\$75,000	2	\$75,000			\$300,000.00	\$0.00	\$300,000.00	4
1,2	Purchase Assistance	Yes	2	\$65,000	3	\$65,000	1	\$65,000	\$390,000.00	\$0.00	\$390,000.00	6
5,16	Disaster Recovery	Yes	2	\$20,000	1	\$20,000			\$60,000.00	\$0.00	\$60,000.00	3
4	Demolition/Reconstruction	Yes	1	\$150,000	0	\$150,000			\$150,000.00	\$0.00	\$150,000.00	1
9,10	New Construction: Single Family Acquisition/Rehabilitation/Construction	Yes	1	\$200,000	1	\$200,000			\$400,000.00	\$0.00	\$400,000.00	2
28, 29	Manufactured Housing (Mobile Homes)	Yes	0		0				\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		8		7		1		\$1,300,000.00	\$0.00	\$1,300,000.00	16
Purchase Price Limits:			New	\$ 450,000	Existing	\$ 450,000						

OK

OK

Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
14,21	Rental Development	Yes		\$360,000	1	\$360,000			\$360,000.00	\$0.00	\$360,000.00	1
3	Manufactured Housing (Mobile Homes)	Yes	0		0				\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		1		0		\$360,000.00	\$0.00	\$360,000.00	1
	Administration Fees		\$ 185,000		10%		OK					
	Home Ownership Counseling		\$ 5,000									
Total All Funds			\$ 1,850,000 OK									

Set-Asides

Percentage Construction/Rehab (75% requirement)		89.7%	OK
Homeownership % (65% requirement)		70.3%	OK
Rental Restriction (25%)		19.5%	OK
Very-Low Income (30% requirement)	\$ 670,000	36.2%	OK
Low Income (30% requirement)	\$ 565,000	30.5%	OK
Moderate Income	\$ 65,000	3.5%	

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2027-2028												
Okaloosa County & the City of Fort Walton Beach												
Estimated Funds (Anticipated allocation only):			\$ 1,850,000									
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
3	Owner Occupied Rehabilitation	Yes	2	\$75,000	2	\$75,000			\$300,000.00	\$0.00	\$300,000.00	4
1,2	Purchase Assistance	Yes	2	\$65,000	3	\$65,000	1	\$65,000	\$390,000.00	\$0.00	\$390,000.00	6
5,16	Disaster Recovery	Yes	2	\$20,000	1	\$20,000			\$60,000.00	\$0.00	\$60,000.00	3
4	Demolition/Reconstruction	Yes	1	\$150,000	0	\$150,000			\$150,000.00	\$0.00	\$150,000.00	1
9,10	New Construction: Single Family Acquisition/Rehabilitation/Construction	Yes	1	\$200,000	1	\$200,000			\$400,000.00	\$0.00	\$400,000.00	2
28, 29	Manufactured Housing (Mobile Homes)	Yes	0		0				\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Homeownership		8		7		1		\$1,300,000.00	\$0.00	\$1,300,000.00	16
Purchase Price Limits:			New	\$ 450,000	Existing	\$ 450,000						

OK

OK

Code	Rental	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
14,21	Rental Development	Yes		\$360,000	1	\$360,000			\$360,000.00	\$0.00	\$360,000.00	1
3	Manufactured Housing (Mobile Homes)	Yes	0		0				\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
	Total Rental		0		1		0		\$360,000.00	\$0.00	\$360,000.00	1
	Administration Fees		\$ 185,000		10%		OK					
	Home Ownership Counseling		\$ 5,000									
Total All Funds			\$ 1,850,000 OK									

Set-Asides

Percentage Construction/Rehab (75% requirement)		89.7%	OK
Homeownership % (65% requirement)		70.3%	OK
Rental Restriction (25%)		19.5%	OK
Very-Low Income (30% requirement)	\$ 670,000	36.2%	OK
Low Income (30% requirement)	\$ 565,000	30.5%	OK
Moderate Income	\$ 65,000	3.5%	

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity:

City of Fort Walton Beach

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 (ACFR). An electronic copy of the ACFR 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).

Witness

Chief Elected Official or designee

Witness

Nic Allegretto, Mayor
Type Name and Title

Date

OR

Attest: Kim M. Barnes, City Clerk

(Seal)



**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity:

Okaloosa County Board of County Commissioner
--

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 (ACFR). An electronic copy of the ACFR 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).

Maria Everton
Witness

Maria Everton

Chief Elected Official or designee

Travis Ashmore
Witness

Travis Ashmore

John Hofstad, County Administrator
Type Name and Title

7/1/2025
Date

OR

Attest:

(Seal)

RESOLUTION 2025-8

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORT WALTON BEACH, 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 RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE MAYOR 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 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. The cost of administering the program may not exceed 10 percent 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), 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; and

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

WHEREAS, the City Council finds that it is in the best interest of the public for Okaloosa County to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WALTON BEACH, FLORIDA THAT:

Section 1: The City Council of the City of Fort Walton Beach hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to

RESOLUTION 2025-8

the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for fiscal years 2025-26, 2026-27, 2027-28.

Section 2: The Mayor of the City of Fort Walton Beach 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 term and conditions of said program.

Section 3: This resolution shall take effect immediately upon its adoption.

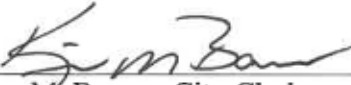
Adopted: June 10, 2025



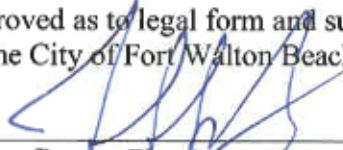
Nic Allegretto, Mayor

Attest:

Approved as to legal form and sufficiency
for the City of Fort Walton Beach, only.



Kim M. Barnes, City Clerk



Jeffrey Burns, City Attorney



RESOLUTION #: 25- 112

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF OKALOOSA 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 RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE CHAIRMAN 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 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. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except 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.

WHEREAS, the Housing Department has prepared a three-year Local Housing Assistance Plan for

submission to the Florida Housing Finance Corporation; and

WHEREAS, the County Commission finds that it is in the best interest of the public for Okaloosa County to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

NOW THEREFORE, BE IT RESOLVED BY THE OKALOOSA COUNTY BOARD OF COUNTY COMMISSIONERS that:

Section 1: The Okaloosa County Board of County Commissioners 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 2025-2026, 2026-2027, 2027-2028.

Section 2: The Chairman of the Okaloosa County Board of County Commissioners, 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 term and conditions of said program.

Section 3: This resolution shall take effect immediately upon its adoption.

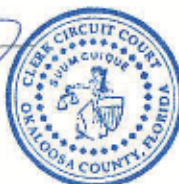
PASSED AND ADOPTED THIS 1st DAY OF July, 2025.


Paul Nixon, Chairman

(SEAL)

ATTEST:


Brad E. Embry, Clerk



INTERLOCAL AGREEMENT

State Housing initiatives Partnership Program

This INTERLOCAL AGREEMENT made and entered into this 16th day of April, 2019 by and between OKALOOSA COUNTY, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners (the "County") and the CITY OF FORT WALTON BEACH, a municipal corporation created and existing under the laws of the State of Florida, acting by and through its City Council (the "City"):

WITNESSETH:

WHEREAS, the County and the City have a legal authority to perform general government services within their respective jurisdiction; and

WHEREAS, the County and the City are authorized by the Florida Statutes Chapter 163.01 et seq., to enter into Interlocal Agreements and thereby cooperatively utilize their powers and resources in the most efficient manner possible; and

WHEREAS, the William E. Sadowski Affordable Housing Act (Chapter 92-317, Laws of Florida, incorporated herein by reference) created Section 4209072, et seq., Florida Statutes, (the "State Housing Initiatives Partnership Program" ("SHIP")), which authorizes monies in the Local Government Housing Trust Fund (the "Fund") to be distributed to approved counties and eligible municipalities within the County pursuant to an Interlocal Agreement; and

WHEREAS, Okaloosa County is an approved County and the City of Fort Walton Beach is an eligible municipality within the County; and

WHEREAS, the County and the City desire to jointly utilize SHIP Program allocations pursuant to this Interlocal Agreement; and

WHEREAS, the County and the City have determined that SHIP Program funds can be effectively and efficiently utilized and managed through an Inter Local Agreement; and

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

The County and the City do hereby agree that the SHIP program funds are to be distributed to the County by Florida Housing Finance Corporation, as provided in 420.9073, FL Statutes. Said funds shall be used within Okaloosa County with a minimum of 20% of the funds being used within the City, unless qualified projects cannot be found. The County shall receive 10% of the funds received for administering, reporting and monitoring for the SHIP program.

Unless earlier terminated pursuant to other provisions of the Interlocal Agreement, the term of this agreement shall run concurrent with the distribution of SHIP Program funds which are allocated between the County and the City.

The County and the City direct the Florida Housing Finance Corporation (the "Corporation") to distribute and allocate the SHIP program funds in accordance with this Interlocal Agreement and authorize the Corporation to rely on their stated intent and their authority to execute this Interlocal Agreement.

The SHIP Program funds so distributed will be deposited in a single depository account created and managed by Okaloosa County. This account shall be known as the Okaloosa Local Housing Trust Fund, to which SHIP Program funds are distributed by the Corporation. The Corporation will be notified of any change in the Local SHIP Program Fund status and the parties agree to have such Local SHIP Program audited annually as required by Chapter 420, FL Statutes and Chapter 67-37 Florida Administrative Code. The parties hereto agree to pay their pro-rata share of the costs of an audit of the Local SHIP Program funds in accordance with the funding distribution percentages denoted in Section 1 of this agreement.

Provide this Interlocal Agreement remains effective between the County and the City, but parties agree that they will not do anything to jeopardize the other party's right to receive its allocation from the Local SHIP Program fund.

The parties to the Agreement understand that the relevant law requires an incentive plan for providing affordable housing and they agree to cooperate in ensuring that the requirements and the spirit of applicable law is satisfied.

Neither part shall use any revenues distributed and allocated for purposes other than those authorized by 420.9072 (7), FL Statutes, or as stipulated in Florida Housing Finance Corporation Administrative Rule 67.37, as amended, as each may be applicable to the SHIP Program.

If at any time during the term of this Interlocal Agreement, the County or the City believe that the intent of the parties set forth herein is not being accomplished, or that the terms of the Interlocal Agreement are not fair, such an entity may, upon the giving ninety (90) days written notice, renegotiate the terms and the provisions of this Interlocal Agreement prior to the commencement of the next fiscal year. If the parties are unable to renegotiate the terms and provisions of the Interlocal Agreement, the Interlocal Agreement shall terminate and be of no further force of effect as to such party and the funds shall be allocated as provided by law.

If either party shall cease to be eligible for allocation or distribution of SHIP Program monies, such party's allocation of the funds shall remain in the SHIP fund to be used by the Corporation.

The parties of the Agreement shall cooperatively prepare and submit a single consolidated annual report incorporating all activities undertaken with SHIP Program funds in compliance with reporting provisions of Florida Administrative Code 67-37.011.

For all purposes herein, the term "Interlocal Agreement" shall mean this Interlocal agreement, and the provisions thereof.

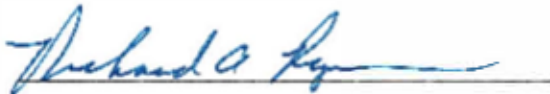
This Interlocal Agreement shall become effective when filed in the office of the Okaloosa County Clerk of Circuit Court Finance department. The County shall be responsible for such filing as soon as this Agreement has been fully executed.

IN WITNESS WHEREOF, the said municipal corporation in pursuance of due and legal action of its City Council has executed these presents causing its name to be signed by its Mayor and its corporate seal to be affixed, and the Okaloosa County, a political subdivision of the State of Florida has caused these

presents to be executed in its name by its Board of County Commissioners, acting by its Chairman of said board, the day and year first written above.

CITY OF FORT WALTON BEACH,

OKALOOSA COUNTY BOARD OF
COUNTY COMMISSIONERS,



Richard A. Rynearson, Mayor

City of Fort Walton Beach

P.O. Box 4009

Fort Walton Beach, FL 32549-4009



Charles K. Windes, Jr., Chairman

Okaloosa County BCC

1250 Eglin Pkwy N

Shalimar, FL 32579



ATTEST:

ATTEST:



Kim M. Barnes, City Clerk

Seal:



J.D. Peacock, Clerk of Circuit Court

Seal:



EXHIBIT 1 : Additional Instructions and Information for Down Payment Assistance for Community Land Trust Purchases

To qualify, homes must be purchased from a county-approved community land trust (CLT) that meet the definition of a “community land trust” under section 193.018 of the Florida Statutes. The CLT will execute a 99-year ground lease with the homebuyer. A memorandum of that ground lease is recorded in the public records immediately following the deed. The terms of the ground lease restrict the resale of the property to an income eligible household and provide a right of repurchase to the CLT in the event of default. The CLT must approve the subsequent homebuyer. In the event of a default, the CLT must notify the County whether it intends to exercise its right of repurchase. In the event the CLT is not willing or able to exercise its right of repurchase, it shall transfer its right of repurchase to Okaloosa County, giving Okaloosa County the right, but not the obligation to purchase the property.

The assistance shall be treated as a development cost pay-down to further reduce the sales price to the homebuyer. Assistance amount on a CLT home shall be separated from the Base Price and Formula Price as defined in the ground lease. The balance of the assistance must be included in the Purchase Option Price as defined in the ground lease to repay the funds to the County in the event of default. At the end of the loan term, the loan will be forgiven, and the lien released. However, the CLT ground lease will remain in effect and the requirements for residency, resale price, and subsequent buyer’s income eligibility will continue. The CLT may request satisfaction of a loan and release of the lien during the term of the loan on behalf of a homeowner or seller, and under certain defined circumstances, with approval granted by the County on a case-by-case basis.

When selling a CLT home, the seller must notify the CLT. The CLT will then enter into a purchase and sale agreement with the seller, that will get assigned to the subsequent homebuyer who will execute an Assumption Agreement. The Purchase Option Price for the CLT will be calculated as follows:

Purchase Option Price = Formula Price + Payoff Amount of Deferred Payment Loans

Until the recipient loan is forgiven, the Formula Price is calculated using a Base Price calculated by subtracting the amount of SHIP assistance from the purchase price. The assistance on the improvements is included to lower purchase price. For example:

Purchase Price:	\$185,000
MINUS Assistance Provided (maximum):	- <u>\$65,000</u>
EQUALS Base Price (sales price) for first buyer:	\$120,000

Base price is the amount the buyer would need to finance (plus transaction costs) and is used to calculate the Formula Price in the ground lease.

Suppose the Formula (re-sale) Price in the ground lease is calculated by a 1% annual increase to the Base Price, compounded. Suppose the home is sold after 5 years. To calculate the Purchase Option Price (price that will go in the purchase and sale agreement between the CLT and the seller), first calculate the Formula Price:

Formula Price = Base Price x Compound Rate

Calculated as follows:

Year 1 = $\$120,100 \times 1.01 = \$121,300$

Year 2 = $\$131,300 \times 1.01 = \$122,613$

Year 3 = $\$131,613 \times 1.01 = \$123,939$

Year 4 = $\$133,939 \times 1.01 = \$125,379$

Year 5 = $\$135,379 \times 1.01 = \$126,631$

Formula Price = $\$126,631$

Purchase Option Price = $\$126,631 + \$65,000 = \$191,631$

The price to the subsequent buyer equals the Purchase Option price minus the assumed down payment assistance:

Purchase Option Price: $\$191,631$

DPA assumed: $- \$65,000$

Sales price for subsequent buyer: **$\$126,631$** (New Base Price for Formula Price)

The new price should be affordable to the subsequent buyer without additional subsidy.

At the end of the loan term, the value of the Purchase Option Price will be equal to the Formula Price.

At the end of the loan term, the value of the Purchase Option Price will be equal to the Formula Price; however, funds will remain as direct subsidy of the unit via the CLT and its administration of a ground lease.

EXHIBIT __: Additional Instructions and Information for Assistance for Community Land Trust Homes

To qualify, homes must be acquired/developed by a county-approved community land trust (CLT) that meet the definition of a “community land trust” under section 193.018 of the Florida Statutes. The CLT will execute a 99-year ground lease with the homebuyer. A memorandum of that ground lease is recorded in the public records immediately following the deed. The terms of the ground lease restrict the resale of the property to an income eligible household and provide a right of repurchase to the CLT in the event of default. The CLT must approve the subsequent homebuyer. In the event of a default, the CLT must notify the County whether it intends to exercise its right of repurchase. In the event the CLT is not willing or able to exercise its right of repurchase, it shall transfer its right of repurchase to Okaloosa County, giving Okaloosa County the right, but not the obligation, to purchase the property.

Development assistance shall be treated as a cost pay-down to further reduce the sales price to the homebuyer. Assistance amount on a CLT home shall be separated from the Base Price and Formula Price as defined in the ground lease. The balance of the assistance must be included in the Purchase Option Price as defined in the ground lease to repay the funds to the County in the event of default. At the end of the loan term, the loan will be forgiven, and the lien released. However, the CLT ground lease will remain in effect and the subsidy as well as the requirements for residency, resale price, and subsequent buyer’s income eligibility will continue. The CLT may request satisfaction of a loan and release of the lien during the term of the loan on behalf of a homeowner or seller, and under certain defined circumstances, with approval granted by the County on a case-by-case basis.

When selling a CLT home, the seller must notify the CLT. The CLT will then enter into a purchase and sale agreement with the seller, that will get assigned to the subsequent homebuyer who will execute an Assumption Agreement. The Purchase Option Price for the CLT will be calculated as follows:

Purchase Option Price = Formula Price + Payoff Amount of Deferred Payment Loans

Until the recipient loan is forgiven, the Formula Price is calculated using a Base Price calculated by subtracting the amount of SHIP assistance from the purchase price. The assistance on the improvements is included to lower purchase price. For example:

Purchase Price: \$335,000

MINUS Assistance Provided as buy down (maximum): \$200,000

EQUALS Base Price (sales price) for first buyer: **\$135,000**

Base price is the amount the buyer would need to finance (plus transaction costs) and is used to calculate the Formula Price in the ground lease.

Suppose the Formula (re-sale) Price in the ground lease is calculated by a 1% annual increase to the Base Price, compounded. Suppose the home is sold after 5 years. To calculate the Purchase Option Price (price that will go in the purchase and sale agreement between the CLT and the seller), first calculate the Formula Price:

Formula Price = Base Price x Compound Rate

Calculated as follows:

Year 1 = $\$135,000 \times 1.01 = \$137,350$

Year 2 = $\$137,350 \times 1.01 = \$139,723.50$

Year 3 = $\$139,723.50 \times 1.01 = \$142,120.74$

Year 4 = $\$142,120.74 \times 1.01 = \$144,541.95$

Year 5 = $\$144,541.95 \times 1.01 = \$146,987.37$

Formula Price = $\$146,987$

Purchase Option Price = $\$146,987 + \$200,000 = \$346,987$

The price to the subsequent buyer equals the Purchase Option price minus any down payment assistance (development assistance already included in the lower initial purchase price):

Purchase Option Price:	\$346,987.37
DPA assumed:	<u>- \$200,000</u>
Sales price for subsequent buyer:	\$146,987.37 (New Base Price for Formula Price)

The new price should be affordable to the subsequent buyer without additional subsidy.

At the end of the loan term, the value of the Purchase Option Price will be equal to the Formula Price; however, funds will remain as direct subsidy of the unit via the CLT and its administration of a ground lease.