

*Highlands County*

**SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**2016-2017, 2017-2018, and 2018-2019**

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**I. Program Details:**

A. Name of the participating local government:

Highlands County

Is there an Interlocal Agreement:  Yes  No

B. Purpose of the program:

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

C. Fiscal years covered by the Plan: 2016-2017, 2017-2018 and 2018-2019

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, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

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

Priorities for funding described here apply to all strategies unless otherwise stated in the strategy: The County will accept applications during the advertised “Application Period” which will be 30 days. From the end of the application period, applicants will have 30 days to submit all required documentation in order to be deemed eligible. Applications will be placed in order of receipt and separated based on strategy applied for. When funds are available for a particular strategy, the applicants from the waiting list will be contacted to complete/update the application for SHIP assistance. Applicants will be placed in the queue for assistance once they have provided all required documentation and been deemed SHIP eligible.

Once there is a list of eligible applicants, they will be ranked giving first priority to households qualifying as Special Needs households. These applicants will further be ranked with priority given to very-low income, then low, then moderate. The second priority will be to serve Essential Services Personnel (ESP). These applicants will further be ranked with priority given to very-low income, then low, then moderate. After serving enough Special Needs households to meet set-asides and any qualified ESP for the funding year, all applicants deemed eligible will be considered equally with priority given to very-low, then low, then moderate income groups.

Ranking Priority:

1. Special Needs Households
  - a. Very low
  - b. Low
  - c. Moderate
2. Essential Services Personnel
  - a. Very low
  - b. Low
  - c. Moderate
3. After Special Needs Set-asides and ESP goals are met
  - a. Very Low
  - b. Low
  - c. Moderate

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. The county will provide Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling and Foreclosure Counseling through qualified HUD approved agencies.

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 median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

- U. S. Treasury Department
- 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](http://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 of proposed Administrative Expenditures is attached as Exhibit A. Highlands County finds that the moneys deposited in the local housing assistance trust fund shall be used 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 county has adopted the above findings in the resolution attached as Exhibit E.

**Q. Program Administration:**

Administration of the local housing assistance plan will be wholly performed and maintained by the Highlands County.

**R. Project Delivery Costs:** In addition to the administrative costs listed above, the county will charge a reasonable project delivery cost to cover inspections performed by non-county employees for rehabilitation projects. The fee will not exceed 2% of the contracted SHIP award and will be included in the amount of the recorded mortgage and note.

**S. Essential Service Personnel Definition:** For purpose of SHIP funding, the county considers the following groups as Essential Services to our county: First Responders, Educators in K-12, Nurses, Active Military, National Guard stationed in the county.

**T. Describe efforts to incorporate Green Building and Energy Saving products and processes:** The county will, when economically feasible, employ the following Green Building requirements on rehabilitation and emergency repairs:

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,
  - c. Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
4. Energy Star qualified dishwasher, if provided;
5. Energy Star qualified washing machine, if provided in units;
6. Energy Star qualified exhaust fans in all bathrooms; and
7. Air conditioning: Minimum SEER of 14. Packaged units are allowed in studios and one bedroom units with a minimum of 11.7 EER.

These requirements may be adjusted for rental developments if the requirements of other construction funding sources require a more prescriptive list.

**U. Describe efforts to meet the 20% Special Needs set-aside:**



First priority assistance for all the County’s strategies goes to households qualifying as Special Needs households. Highlands County has two types of outreach to ensure set-aside compliance.

First, it has been the observation among staff for several years that more than 10% of all SHIP applications received come from households in which one or more household member has a special need. Several receive a monthly disability financial benefit, for example.

Second, Highlands County staff identifies special needs households and provides customized assistance for them, with assistance from local special needs service providers and agencies. Most recently, the County is assisting with the rehabilitation of a group home for special needs residents.

V. Describe efforts to reduce homelessness:

Highlands County stays in contact with the lead agency for the local continuum of care, which is the Highlands County Coalition for the Homeless, Phone: 863-314-8901 at 134 N. Ridgewood Dr. Suite 12, Sebring Florida 33870. SHIP staff stays updated about sources of funding for paying past due rents and move-in assistance. The SHIP office works hand in hand with the lead agency of local homeless assistance continuum of care so that housing programs are complementary and not duplicative or working at cross-purposes.

For those who are looking for affordable rental housing, staff refers to the website [floridahousingsearch.org](http://floridahousingsearch.org) or the corresponding call center phone number 1 (877) 428-8844 and provides the following guidance: “The website and phone number help you identify affordable rental units for any area in Florida. They provide a list of properties. Each apartment or rental house can even be viewed on a map. Call up the phone number associated with a specific rental and ask if a unit is available for a person with around your monthly income. If a unit is not available, asked to be placed on a waiting list to be contacted when availability occurs.”

**Section II. LHAP Strategies:**

A.

<i>Owner Occupied Rehabilitation</i>	<i>Code 3</i>
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- a. Summary of Strategy: SHIP funds will be awarded to households in need of repairs to correct code violations, health and safety issues, electrical, plumbing, roofing, windows and other structural items. Additional items may be included on rehabilitation projects if funds are available after completing all required repairs listed above.
- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019
- c. Income Categories to be served: Very-low, low, and moderate
- d. Maximum award: Very Low: \$40,000  
   Low                 \$30,000  
   Moderate       \$20,000
- e. Terms

- 1. Loan/deferred loan: All assistance is provided as a loan, secured by a

- recorded mortgage and promissory note.
2. Interest Rate: All loans shall have an interest rate of 0%.
  3. Term: 10 years for \$0.00-\$5,000.00 loan amount  
15 years for \$5,001.00-\$10,000.00 loan amount  
20 years for \$10,001.00-\$15,000.00 loan amount  
25 years for \$15,001.00-\$20,000.00 loan amount  
30 years for more than \$20,000.01 loan amount
  4. Forgiveness/Repayment: Monthly repayment of assistance is required for all who pass an ability to pay test. Loans are deferred for all who do not have an ability to repay. Based on the applicant household's income, if the front and back ratio are higher than 28% and 38%, the loan shall be deferred for 10 years. When the deferral period is over, the homeowner will fill out a new application and a determination will be made as to whether they can afford payments (using the 28 percent-38 percent standard above). If they cannot repay, the loan will be deferred for another ten years.
  5. Default/Recapture: 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. If the homeowner passes away, vacates the property, or rents it out, repayment may be accelerated with payback terms to be negotiated with the owner and/or heirs.
- f. Recipient Selection Criteria:  
Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel and income groups as described in section I. (I) of this plan.  
Assistance is provided as a direct loan. Monthly repayment of assistance is required for all who pass the following ability to pay test.: based on the applicant household's income, if the front and back ratio are lower than 28% and 38%, then the loan shall be a monthly payback immediately upon loan closing.  
Applicants must have acceptable credit. This is defined as follows:  
Any bankruptcy must be discharged and at least three years must have passed. The client must have a six-month history of timely payments on at least two obligations. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately, such as road assessments. Clients must be current with their mortgage.  
All medical collections and debts will be ignored.  
Any bad debt more than three years old will be ignored.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: All work will be performed by contractors on the county's approved contractor's list.
- i. Applicants must not have more readily available funds than the funds being requested from the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.



B.

<i>Purchase Assistance</i>	<i>Code 1, 2</i>
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- a. Summary of Strategy: SHIP funds will be awarded for downpayment and closing costs to households to purchase a newly constructed or existing home. A newly constructed home must have received a certificate of occupancy within the last twelve months. An existing home may also be purchased, and SHIP may pay for minor repairs along with the purchase assistance.

Prospective homebuyers must qualify as a First Time Homebuyer under the HUD definition: *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 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.*

- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019

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

- d. Maximum award: Very Low: \$40,000  
 Low \$30,000  
 Moderate \$20,000

- e. Terms:

1. Loan/deferred loan: All assistance is provided as a loan, secured by a recorded mortgage and promissory note.
2. Interest Rate: All loans shall have an interest rate of 0%.
3. Term: 10 years for \$0.00-\$5,000.00 loan amount  
 15 years for \$5,001.00-\$10,000.00 loan amount  
 20 years for \$10,001.00-\$15,000.00 loan amount  
 25 years for \$15,001.00-\$20,000.00 loan amount  
 30 years for more than \$20,000.01 loan amount
4. Forgiveness/Repayment: Monthly repayment of assistance is required for all who pass an ability to pay test. Monthly repayment may be deferred for 3 to 4 years for those who primary (first) mortgage require deferred payment for those receiving purchase assistance funding. Loans are deferred for all who do not have an ability to repay. Based on the applicant household's income, if the front and back ratio are higher than 28% and 38%, the loan shall be deferred for 10 years. When the deferral period is over, the homeowner will fill out a new application and a determination will be made as to whether they can afford payments (using the 28 percent-38 percent standard above). If they cannot repay, the loan will be deferred for another ten years.
5. Default/Recapture: 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. If the homeowner passes away, vacates the property, or rents it out, repayment may be accelerated with payback terms to be negotiated with the owner and/or heirs

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel and income groups as described in section I. (I) of this plan. The sales price of the home to be purchased must be less than the SHIP sales price limit. Each applicant must complete the homebuyer education class or approved equivalent Assistance is contingent on first mortgage lender approval, if applicable. Assistance is provided as a direct loan. Monthly repayment of assistance is required for all who pass the following ability to pay test.: based on the applicant household's income, if the front and back ratio are lower than 28% and 38%, then the loan shall be a monthly payback immediately upon loan closing.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: Applicants must secure a first mortgage by an approved lender and must contribute a minimum of \$750 if very-low income, \$1,000 if low-income and \$1,200 if moderate-income towards the purchase.
- i. Applicants must not have more readily available funds than the funds being requested from the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

C.

<i>Emergency Repair</i>	<i>Code 6</i>
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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: damaged roofing that is leaking, damaged windows causing exposure to the elements, or electrical or plumbing problems that could cause damage (fire) to the home or is an immediate health hazard to the occupants. This strategy will only be used for an applicant who has applied for, but will not receive assistance through the owner occupied rehabilitation strategy within the next three months. When an applicant is assisted with emergency repairs, they will not lose their place on the rehabilitation waiting 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.
- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019

- c. Income Categories to be served: Very-low, low, and moderate
- d. Maximum award: \$10,000
- e. Terms:
  - 1. Loan/deferred loan: All assistance is provided as a loan, secured by a recorded mortgage and promissory note.
  - 2. Interest Rate: All loans shall have an interest rate of 0%.
  - 3. Term: 10 years for \$0.00-\$5,000.00 loan amount  
15 years for \$5,001.00-\$10,000.00 loan amount
  - 4. Forgiveness/Repayment: Monthly repayment of assistance is required for all who pass an ability to pay test. Loans are deferred for all who do not have an ability to repay. Based on the applicant household's income, if the front and back ratio are higher than 28% and 38%, the loan shall be deferred for 10 years. When the deferral period is over, the homeowner will fill out a new application and a determination will be made as to whether they can afford payments (using the 28 percent-38 percent standard above). If they cannot repay, the loan will be deferred for another ten years.
  - 5. Default/Recapture: 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. If the homeowner passes away, vacates the property, or rents it out, repayment may be accelerated with payback terms to be negotiated with the owner and/or heirs.
- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel and income groups as described in section I. (I) of this plan. Assistance is provided as a direct loan. Monthly repayment of assistance is required for all who pass the following ability to pay test.: based on the applicant household's income, if the front and back ratio are lower than 28% and 38%, then the loan shall be a monthly payback immediately upon loan closing. Applicants must have acceptable credit. This is defined as follows:  
Any bankruptcy must be discharged and at least three years must have passed. The client must have a six-month history of timely payments on at least two obligations. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately, such as road assessments. Clients must be current with their mortgage.  
All medical collections and debts will be ignored.  
Any bad debt more than three years old will be ignored.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: An applicant requesting an emergency repair will be required to:
  - 1. Allow the rehabilitation specialist to access the home for an inspection to determine the need for the repair.
  - 2. Provide proof of homeowner's insurance policy and any proof whether or not the insurance will cover any part of the repair.

- i. Applicants must not have more readily available funds than the funds being requested from the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

D.

<i>Foreclosure Prevention</i>	<i>Code 7</i>
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- a. Summary of Strategy: Funds will be awarded to homeowners that are in arrears on their first mortgage. The arrearage must be at least three months, but no more than six months and cannot be under an active foreclosure action.
- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019
- c. Income Categories to be served: Very-low, low, and moderate
- d. Maximum award: \$7,500
- e. Terms:
  1. Loan/deferred loan: All borrowers will be evaluated for their ability to pay back the County loan. All loans are secured by a recorded mortgage and promissory note.
  2. Interest Rate: 0%.
  3. Term: 30 year
  4. Forgiveness/Repayment: If the front and back ratio are higher than the 28-38 percent, the loan shall be deferred. If the foreclosure prevention assistance is associated with an FHASecure Loan insured by the Federal Housing Administration (or similar refinancing programs that mimics FHASecure), it will be a deferred loan for five instead of three years.
  5. Default/Recapture: If the homeowner passes away, vacates the property, or rents it out, repayment may be accelerated with payback terms to be negotiated with the owner and/or heirs.
- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel and income groups as described in section I. (I) of this plan. Assistance is provided as a direct loan. Monthly repayment of assistance is required for all who pass the following ability to pay test.: based on the applicant household's income, if the front and back ratio are lower than 28% and 38%, then the loan shall be a monthly payback immediately upon loan closing. Applicants must have acceptable credit. This is defined as follows: Any bankruptcy must be discharged and at least three years must have passed. The client must have a six-month history of timely payments on at least two obligations. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately, such as road assessments. Clients must be current with their mortgage. All medical collections and debts will be ignored.

Any bad debt more than three years old will be ignored.

- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: Applicants may be required to apply to other foreclosure assistance programs (Hardest Hit Fund, Foreclosure Counseling Program) for assistance prior to being approved for assistance under this strategy.
- i. Applicants must not have more readily available funds than the funds being requested from the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

E.

<i>Disaster Mitigation</i>	<i>Code 5</i>
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- 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:
  - 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)
- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019
- c. Income Categories to be served: Very-low, low
- d. Maximum award: \$10,000
- e. Terms:
  - 1. Loan/grant: Funds will be awarded as a grant with no recapture terms.
  - 2. Interest Rate: 0%
  - 3. Forgiveness/Repayment: N/A
  - 4. Default/Recapture: N/A
- f. Recipient Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis with the following additional requirements:
  - 1. Must provide proof of homeowner's insurance
  - 2. Must file for and use proceeds from insurance as first option
- 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.

F.

<i>Rental Development</i>	<i>Codes 14, 21</i>
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- a. Summary of Strategy: Funds will be awarded to developers of affordable rental units that are awarded construction financing through other state or federal housing programs to construct or rehabilitate affordable rental units. This funding is intended to be used as gap financing required for the project. In cases where a smaller development (less than 50 units) is being proposed that includes Special Needs units, the county may choose to provide a larger amount of the overall construction financing.
- b. Fiscal Years Covered: 2016-2017, 2017-2018 and 2018-2019
- c. Income Categories to be served: Very-low, low and moderate
- d. Maximum award: \$75,000 for developments over 50 units  
\$150,000 for developments with 50 units or less that include Special Needs units.
- e. Terms:
  1. Loan/grant: For for-profit developers, funds will be awarded as a loan secured by a recorded subordinate mortgage and note.  
  
For non-profit developers, funds will be awarded as a forgivable loan secured by a recorded subordinate mortgage and note.
  2. Interest Rate: 0%.
  3. Term: 15 years
  4. Forgiveness/Repayment:
    - a. For-profits, the loan is due and payable at the end of the term unless the county negotiates an extended loan term to secure affordable rental units in the best interest of the county's residents.
    - b. Non-profits, the loan is forgiven on a prorated basis beginning in year six so that 10% of the loan is forgiven annually from years six through fifteen.
  5. Default/Recapture: For all awards, a default will be determined as: sale, transfer, or conveyance of property; conversion to another use; failure to maintain standards for compliance as required by any of the funding sources. If any of these occur, the outstanding balance will be due and payable.
- f. Recipient Selection Criteria: All applicants for residence in a SHIP-assisted unit must meet income qualifications of the program as determined and reported by the developer's management company for the development. Applicants will be processed on a first-qualified, first-served basis.

- g. Sponsor/Developer Selection Criteria: Developers will apply to the county through an RFQ process that is open year round. The RFQ will require proof of developer experience in providing affordable rental housing, proof of financial capacity, evidence of site control (or contract for sale), proof of ability to proceed once all funding is closed, and a housing unit design plan that meets with the county's housing element in the Comprehensive Plan.

The county reserves the right to select developments that meet all the above requirements and:

1. Are in areas of immediate need due to lack of available units.
2. Propose to preserve and improve existing units.

All funding awards will be subject to closing on other funding sources.

- h. Additional Information: Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units.

### 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.

a. **Established Policy and Procedures:**

1. **Section 12.04.300 Affordable housing expedited permitting.** When requested by an applicant for an affordable housing project, as defined by F.S. Ch. 420, Pt. VI, and the application is determined to be complete, the county shall grant first priority in review and processing of all preliminary and a final development orders, including plats, site plans, concurrency clearance, driveway permits, and improvement plans, and all other applicable development permits in order to expedite the issuance of these development orders. To effect the successful issuance of a development order and/or permit, the county shall continually monitor the progress of the application. The project, however shall comply with all requirements of these regulations.
2. **Section 12.16.306 Affordable housing expedited permitting:** When requested by an applicant for an affordable housing project, as defined by F.S. Ch. 420, Pt. VI, and the application is determined to be complete, the county shall grant first priority in review and processing to expedite the issuance of all building permit applications, preliminary and a final development orders, and all applicable development permits. To affect the successful issuance of a development order and/or permit, the county shall continually monitor the progress of the



application. The project, however shall comply with all requirements of these regulations not elsewhere exempted.

3. Section 12.17.204 Affordable housing expedited permitting: When requested by an applicant for an affordable housing project, as defined by F.S. Ch. 420, Pt. VI, and the application is determined to be complete the county shall grant first priority in review and processing to expedite the issuance of all preliminary and final development orders and all other applicable fire clearances. To effect the successful issuance of a development order and/or permit, the county shall continually monitor the progress of the application. The project, however, shall comply with the requirements of these regulations not elsewhere exempted.

**B. 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.

**a. Established Policy and Procedures:**

The County will continually monitor and review its development approval process to identify and eliminate any unnecessary impediments to the provision of housing within the community by ordinance and Board of County Commissioner resolution.

**C. Impact Fee Waivers**

The County will waive Impact Fees when evidence that the Residential Construction is affordable housing. Affordable Housing shall mean a Dwelling Unit or Units that are within an approved affordable housing development which are offered for sale or rent to Low Income Persons or Very Low Income Persons and which monthly rent or monthly mortgage payments, including taxes, insurance and utilities, do not exceed 30 percent of that amount which represents the percentage of the median annual Adjusted Gross Income for Low Income Persons and Very Low Income Persons in Highlands County.

**a. Established Policy and Procedures**

Sec. 13-71. Exemptions. The following shall be exempted from payment of any impact fees: ((1)-(5) omitted)

(6) Any residential construction that qualifies as affordable housing and meets the following requirements:

a. Any person seeking an affordable housing exemption for an owner-occupied residential construction shall file with the county administrator an application for exemption prior to receiving a building permit for the proposed residential construction. The application for exemption shall contain the following: (1-6 omitted)

b. Any person seeking an affordable housing exemption for rental residential construction located within a qualifying multi-family rental project shall file with the county administrator an application for exemption prior to receiving a building permit for the proposed residential construction. The application for exemption shall contain the following: (1-6 omitted)

c. If the residential construction meets the requirements for an affordable housing exemption, the county administrator shall issue an exemption. The exemption shall be presented in lieu of payment of the impact fee.

d. At the time the affordable housing exemption is granted by the county administrator, the county shall record an impact fee lien against the property that includes a clause



requiring payment of impact fees in effect at the time the residential construction fails to satisfy the affordable housing requirements provided herein, if that failure occurs during the 30-year period following the issuance of the certificate of occupancy. Such liens shall have priority over all other liens except for taxes and governmental liens and assessments.

e. In the event the residential dwelling unit fails to satisfy the affordable housing requirements provided herein during the 30-year period following the issuance of the certificate of occupancy such that the property no longer qualifies as affordable housing and is no longer occupied by low income persons or very low income persons, the impact fees in effect at the time of the change in circumstances shall be immediately due and payable.

**D. Creation of Affordable and Workforce Housing Trust Fund**

The County has established an Affordable and Workforce Housing Trust Fund to be funded by an annual transfer to the Trust Fund from revenues and taxes available in the County General Fund. The Trust fund is established to provide for the creation and maintenance of Affordable and Workforce Housing within the County.

**a. Established Policy and Procedures:**

**Sec. 13-78. Creation of Affordable and Workforce Housing Trust Fund.**

There is hereby created within the general fund budget of the county an “affordable and workforce housing trust fund” to be funded by an annual transfer to the trust fund from revenues and taxes available in the county general fund. The amount of the annual trust fund transfer shall be such amount as appropriated by the county for the trust fund for each county budget year. The amounts on deposit in the affordable and workforce housing trust fund shall be appropriated to provide for the creation and maintenance of affordable and workforce housing within the county based upon qualifying criteria within an affordable and workforce housing program established by subsequent resolution.

**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: N/A (If changed from the original creating ordinance).

**LHAP 2016-2019**

**Exhibit A**

**Revised: 6/2015**

(Local Government name)

Fiscal Year: 2016-2017			
Estimated Allcoation for Calculating:	\$	653,322.00	
Salaries and Benefits	\$	41,676.00	
Office Supplies and Equipment	\$	7,561.00	
Travel Per diem Workshops, etc.	\$	2,500.00	
Advertising	\$	2,500.00	
Other*	\$	11,095.00	
<b>Total</b>	<b>\$</b>	<b>65,332.00</b>	<b>0.1</b>
Fiscal Year: 2017-2018			
Estimated Allcoation for Calculating:	\$	350,000.00	
Salaries and Benefits	\$	30,000.00	
Office Supplies and Equipment	\$	3,000.00	
Travel Per diem Workshops, etc.	\$	1,000.00	
Advertising	\$	500.00	
Other*	\$	500.00	
<b>Total</b>	<b>\$</b>	<b>35,000.00</b>	<b>0.1</b>
Fiscal Year 2018-2019			
Estimated Allcoation for Calculating:	\$	350,000.00	
Salaries and Benefits	\$	30,000.00	
Office Supplies and Equipment	\$	3,000.00	
Travel Per diem Workshops, etc.	\$	1,000.00	
Advertising	\$	500.00	
Other*	\$	500.00	
<b>Total</b>	<b>\$</b>	<b>35,000.00</b>	<b>0.1</b>

\*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**

Highlands County Board County Commissioners affirms that funds allocated for these fiscal years will *(local government)* meet the following deadlines:

<b>Fiscal Year</b>	<b>Encumbered</b>	<b>Expended</b>	<b>1<sup>st</sup> Year AR</b>	<b>2<sup>nd</sup> Year AR</b>	<b>Closeout AR</b>
<b>2016-2017</b>	6/30/2018	6/30/2019	9/15/2017	9/15/2018	9/15/2019
<b>2017-2018</b>	6/30/2019	6/30/2020	9/15/2018	9/15/2019	9/15/2020
<b>2018-2019</b>	6/30/2020	6/30/2021	9/15/2019	9/15/2020	9/15/2021

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

<b>Fiscal Year</b>	<b>Funds Not Encumbered</b>	<b>Funds Not Expended</b>	<b>1<sup>st</sup> Year AR Not Submitted</b>	<b>2<sup>nd</sup> Year AR Not Submitted</b>	<b>Closeout AR Not Submitted</b>
<b>2016-2017</b>	3/30/2018	3/30/2019	6/15/2017	6/15/2018	6/15/2019
<b>2017-2018</b>	3/30/2019	3/30/2020	6/15/2018	6/15/2019	6/15/2020
<b>2018-2019</b>	3/30/2020	3/30/2021	6/15/2019	6/15/2020	6/15/2021

**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](mailto:robert.dearduff@floridahousing.org) and [terry.auringer@floridahousing.org](mailto:terry.auringer@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 [terry.auringer@floridahousing.org](mailto:terry.auringer@floridahousing.org) when you are ready to “submit” the AR.*

**Other Key Deadlines:**

AHAC reports are due for each local government by **December 31** of the year prior to the local government’s LHAP being submitted. Local governments receiving the minimum or less allocation are not required to report.







## **CERTIFICATION TO FLORIDA HOUSING FINANCE CORPORATION**

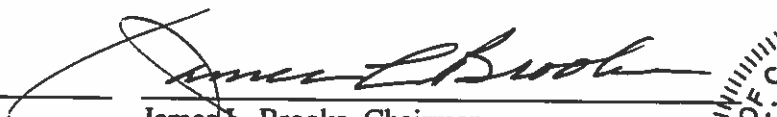
Local Government: Highlands County Board of County Commissioners

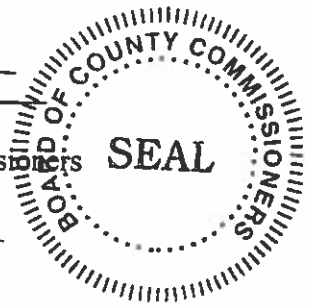
- (1) The local government will advertise the availability of SHIP funds pursuant to Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, creed, religion, color, age, sex, familial or marital status, handicap, or national origin.
- (3) A process for selection of recipients for funds has been developed.
- (4) The eligible municipality or county has developed a qualification system for applications for awards.
- (5) Recipients of funds will be required to contractually commit to program guidelines.
- (6) The Florida Housing Finance Corporation will be notified promptly if the local government (or interlocal entity) will be unable to comply with the provisions the plan.
- (7) The Local Housing Assistance Plan shall provide 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.
- (8) The plan 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 Local Housing Assistance Plan.
- (9) Amendments to the approved Local Housing Assistance Plan shall be provided to the Corporation with in 21 days after adoption.
- (10) The trust fund shall be established with a qualified depository for all SHIP funds as well as moneys generated from activities such as interest earned on loans.
- (11) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (12) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements, copies of the audits will be forwarded to the Corporation as soon as available.



- 13) An interlocal entity shall have its local housing assistance trust fund separately audited for each state fiscal year, and the audit forwarded to the Corporation as soon as possible.
- 14) SHIP funds will not be pledged for debt service on bonds or as rent subsidies.
- 15) 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.
- 16) 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 service eligible persons.
- 17) Rental Units constructed or rehabilitated with SHIP funds shall be monitored at least annually for 15 years for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e)
- 18) The Plan meets the requirements of Section 420-907-9079 FS, and Rule Chapter 67-37 FAC, and how each of those requirements shall be met.
- 19) The provisions of Chapter 83-220, Laws of Florida has or **X** has not been implemented.  
(note: Miami Dade County will check "has")

  
Witness Pamela Gamez

  
James L. Brooks, Chairman  
Highlands County Board of County Commissioners



  
Witness Maria Brenes


  
Robert W. Germaine, Clerk of Courts

\_\_\_\_\_ Date

OR

\_\_\_\_\_  
Attest:  
(Seal)



CERTIFIED  
TO BE A TRUE COPY  
ROBERT W. GERMAINE, CLERK  
BY  D.C.  
10/12/2016



RESOLUTION #: 15-16-119

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HIGHLANDS 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 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(17), 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 Community Programs 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 Highlands 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 BOARD OF COUNTY COMMISSIONERS OF HIGHLANDS COUNTY, FLORIDA that:

Section 1: The Board of County Commissioners of Highlands 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 2016 through 2019.

Section 2: The Chairman, 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 20th DAY OF September, 2016.



James L. Brooks Chairman  
Highlands County Board of County Commissioners

(SEAL)

ATTEST:

Robert W. Germaine, Clerk of Courts



CERTIFIED  
TO BE A TRUE COPY  
ROBERT W. GERMAINE, CLERK

BY Renee L. James D.C.  
10/12/2016