

Table of Contents

I. PROGRAM DESCRIPTION..... 2

A. Name of the Participating Local Government 2

B. Purpose of the Program..... 2

C. Fiscal Years covered by the Plan 2

D. Governance 2

E. Local Housing Partnership..... 2

F. Leveraging 2

G. Public Input..... 3

H. Advertising and Outreach 3

I. Discrimination..... 3

J. Support Services and Counseling 3

K. Purchase Price Limits 3

L. Income Limits, Rent Limits and Affordability 3

M. Welfare Transition Program: 3

N. Monitoring and First Right of Refusal..... 4

O. Administrative Budget 4

P. Program Administration..... 4

Q. Essential Service Personnel 4

II. LHAP HOUSING STRATEGIES..... 5

A. Purchase Assistance Program 5

B. Housing Rehabilitation Program..... 7

C. Emergency Home Repair Program 9

D. Housing Partnership Program..... 11

E. Foreclosure/Homeless Intervention Program 15

F. Disaster Mitigation/Recovery 17

G. Special Needs Housing/Rental Development Program 18

III. LHAP INCENTIVE STRATEGIES 20

A. Expedited Permitting 20

B. Ongoing Review Process 20

C. Impact Fee Waivers 20

D. Creation of Affordable and Workforce Housing Trust Fund..... 21

IV. EXHIBITS 21

A. Administrative Budget: 2007-2010 Exhibit A..... 21

B. Timeline for Encumbrances and Expenditures: 2007 – 2010 Exhibit B 21

C. Housing Delivery Goals Chart (HDGC): 2007 – 2010 Exhibit C 21

D. Certification Page Exhibit D..... 21

E. Adopting Resolution Exhibit E..... 21

F. Program Information Sheet Exhibit F..... 21

G. Ordinance: Exhibit G 21

H. Interlocal Agreement: N/A 21

I. PROGRAM DESCRIPTION *Chapter 67-37.005 F.A.C. and Section 420.9072, F.S.*

A. Name of the Participating Local Government **and Interlocal if Applicable:**

Highlands County Board of County Commissioners

Interlocal : Yes _____ No X

Name of participating local government(s) in the Interlocal Agreement;

N/A

B. Purpose of the Program: *Section 420.9072, F.S. and Chapter 67-37.005 (3) F.A.C.*

Creation of the Local Housing Assistance Plan (LHAP) is for the purpose of meeting the housing needs of the Very Low, Low, and Moderate Income households, to expand production of and preserve affordable housing, to further the Highlands County Housing Element of the County's Comprehensive Plan specific to affordable housing.

C. Fiscal Years covered by the Plan: *Chapter 67-37.002, F.A.C.*

X 2007/2008

X 2008/2009

X 2009/2010

D. Governance: *Chapter 67-37.005 (3) and (5)(i), F.A.C. and Section 420.9071(14), F.S.*

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37.007 Florida Administrative Code. Cities and Counties must be in compliance with applicable statutes and rules: 420.907-9079 F.S. and 67-37 F.A.C. The SHIP Program does further the Housing Element of the County's Comprehensive Plan.

E. Local Housing Partnership: *Section 420.9072(1)(a), F.S.*

The Highlands County 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: *Chapter 67-37.007(1)(b)(c), F.A.C. and Section 420.9075(1)(a) and (1)(b3 and (1)(c), F.S.*

The Plan is intended to increase the affordability of affordable residential units by combining local resources and cost saving measures into the local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be used to leverage with or used to supplement other Florida Housing Finance Corporation (FHFC) programs and to provide local match to obtain federal housing grants or programs.

- G. Public Input:** *Chapter 67-37.005(3), F.A.C.*
Public input was solicited through face-to-face meetings with housing providers, social service providers, local lenders, and neighborhood associations. Public input was solicited through the local newspapers in the advertising of the LHAP and the Notice of Funding Availability (NOFA).
- H. Advertising and Outreach:** *Chapter 67-37.005(6)(a), F.A.C.*
Highlands County shall advertise the notice of funding availability in a newspaper of general circulation serving ethnic and diverse neighborhoods, at least thirty (30) days before the beginning of the application period.
- I. Discrimination:** *Section 420.9075(3)(c), F.S.*
In accordance with ss.760.20-760.37, Highlands County SHIP Program does not discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.
- J. Support Services and Counseling:** *Chapter 67-37.005(5)(g), F.A.C.*
Support services are available from various sources including but not limited to: one on one Homeownership and Credit Counseling (Pre and Post), monthly Homebuyer and Money Skills Training Seminars presented in English and Spanish.
- K. Purchase Price Limits:** *Section 420.9075(4)(c), F.S. and Chapter 67-37.007(6), F.A.C.*
The methodology used by Highlands County is Single Family Mortgage Revenue Bond numbers provided by the Florida Housing Finance Corporation. The Purchase Price Limits in Highlands County for new and existing homes is \$189,682.
- L. Income Limits, Rent Limits and Affordability:**
Chapter 67-37.005(5)(e), F.A.C. and Section 420.9071(2), F.S.
The Income and Rent Limits used in the SHIP Program are updated annually from the U.S. Department of Housing and Urban Development (HUD) and distributed by the FHFC. Affordable means that monthly rents or mortgage payments, including taxes and insurance, do not exceed thirty percent (30%) of that amount which represents the percentage for the median annual gross income for the households as indicated in Sections 420.9071(19), (20) and (28), 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.
- M. Welfare Transition Program:**
Highlands County has developed a qualification system and selection criteria for applications for Awards to eligible sponsors which includes a description that demonstrates how eligible sponsors that employed personnel from the Welfare Transition Program will be given preference in the selection process.

- N. **Monitoring and First Right of Refusal:** *Section 420.9075(3)(e) and (4)(f), F.S.*
In the case of rental housing, the Housing Coordinator, having administrative authority for implementing the LHAP assisting rental developments, shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides the same monitoring and determination, the County may rely on such monitoring and determination of tenant eligibility. However, any loan that exceeds \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Highlands County will monitored tenant eligibility for at least fifteen (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 has remaining mortgages funded under this program must give a right of first refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

- O. **Administrative Budget:** *Chapter 67-37.005(6)(f)(3), F.A.C*
A detailed listing including line-item budget of proposed Administrative Expenditures is attached as **Exhibit A**. These are presented on an annual basis for each State fiscal year submitted.

Highlands County finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the LHAP. The cost of administering the LHAP may not exceed five percent (5%) of the local housing distribution moneys and program income deposited in the trust fund. Highlands County may not exceed the 5% limitation on administrative costs unless the Board of County Commissioners (BCC) finds, by resolution, that 5% of the local housing distribution plus 5% of program income is insufficient to adequately pay the necessary costs of administering the LHAP. The cost of administering the program may not exceed 10 percent (10%) of the local housing distribution plus 5% of program income deposited into the trust fund. The Highlands County BCC has adopted the above findings in the attached resolution, **Exhibit E**.

- P. **Program Administration:**
Administration of the local housing assistance plan is the responsibility of the Highlands County Board of County Commissioners' Housing Department.
- Q. **Essential Service Personnel:** *Chapter 67-37.005(8)(a), F.A.C*
Pursuant to Section 420.9075(3)(a), Florida Statutes, essential service personnel are persons in need of affordable housing who are employed in occupations or professions in which they are considered essential to the community as defined by each county or municipality. Highlands County defines essential service personnel as: any household earning 80 percent of the area median income (AMI) or below and; if employed in the education system (teachers and other school district employees, community college employees), city, county or state government,

medical or health services, public safety (to include law enforcement, corrections, firefighters and emergency responders) utility workers or building trades, households may earn up to 140 percent of the AMI for the purposes of the Community Workforce Housing Innovation Pilot (CWHIP) program. Only those households with income at or below 120% of the AMI are eligible to receive assistance under the SHIP Program.

II. LHAP HOUSING STRATEGIES: *Chapter 67-37.005(5), F.A.C*

A. Purchase Assistance Program

a. Summary of Strategy:

The Highlands County Purchase Assistance Program assists first-time homebuyers by paying a portion of their down payment and closing. The program provides second mortgages to eligible applicants to purchase newly constructed or existing single-family homes.

b. Fiscal Years Covered:

The strategy will be funded during State Fiscal Years 2007 – 2010.

c. Income Categories to be served:

Assistance will be provided to Very Low, Low, and Moderate Income households that meet the income limits as defined by *Florida Statutes*.

d. Maximum award is noted on the Housing Delivery Goals Charts:

Maximum down payment assistance loan allowed for the purchase price of the home which is not to exceed \$189,682, for Very Low Income, Low Income household is \$15,000, and Moderate Income households are \$10,000.

e. Terms, Recapture and Default:

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

A mortgage representing SHIP funds provided to new homeowners is placed on the purchased properties in the name of the Highlands County Board of County Commissioners. The interest rate for Purchase Assistance Loans will be zero percent (0%).

Payback loan terms shall be up to 30 years, but no payment shall be less than \$25.00 per month.

If the property is transferred, sold, rented, refinanced or no longer the principal place of residence of the buyer, the balance is immediately due and owing to the Highlands County Board of County Commissioners. These

funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities.

The SHIP Purchase Assistance Loan shall be documented. That documentation shall include a Promissory Note. SHIP Purchase Assistance loans shall be repaid by the borrower in monthly installments of not less than \$25.00 per month, over a term not to exceed 30 years (*Chapter 67-37.007(7), F.A.C.*).

If the borrowers fail or cease to occupy the property as their primary residence, or if the property is transferred or sold before the loan is paid in full, the unpaid balance of the loan is due. If the borrower defaults on the first mortgage, the County may elect, at its discretion, any of the following options:

- (1) Purchase the property and pay off the first mortgage to preserve the investment and make it available to income eligible households;
- (2) Recover as much of its investment as is possible from the net proceeds of the foreclosure sale;
- (3) Provide SHIP Foreclosure Prevention funds to prevent a loan default and stabilize the borrower.; or
- (4) Forgive the balance of the loan.

f. Recipient Selection Criteria:

Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the annual advertisement of the SHIP NOFA, from all applicants meeting the selection criteria.

1. The applicant must be a first-time homebuyer. A first-time homebuyer is defined as not having owned a home or mobile home during the past three years. The three-year waiting period does not apply to legally divorced individuals providing that the applicant no longer has an interest in the marriage residence or any other commonly owned home.
2. The applicant meets SHIP income eligibility criteria.
3. The home to be purchased must be located in Highlands County.
4. If the home is in need of repairs, an affidavit of accepted quotes must accompany the file.
5. The applicant must have completed a four (4) hour Money Skills Training Class and a four (4) hour Homebuyer Training Class prior to closing on the home. The classes will be approved and provided by the Highlands County Housing Department.
6. New units must be constructed within one year of the loan closing. For existing units, the applicant must occupy the unit within 90 days of the loan closing.
7. The Purchase Assistance program cannot be utilized when the seller of the property provides the financing of the mortgage.

8. Applicants must have procured Homeowner's Insurance prior to closing and must name the Highlands County Board of County Commissioners as the second mortgagee on the insurance policy.
 9. Applicant must have first mortgage lender approval.
 10. Applicant will be required to contractually agree to all SHIP program guidelines, subordinate mortgage requirements, recapture provisions, and certify that the SHIP assisted unit will be their primary residence.
 11. Applicant must be living or working in Highlands County.
- g. Sponsor Selection Criteria:**
The Highlands County Housing Office will administer this Strategy.
- h. Additional Information:**
Mobile homes are not eligible.

B. Housing Rehabilitation Program

- a. Summary of the Strategy:**
The Housing Rehabilitation Program provides loans to owner occupied Very Low and Low Income households to assist them with home repairs. The loans may be used to eliminate code violations, upgrade major systems, make a limited amount of general property improvements (such as roof replacement and repairs to make the home more accessible to disabled individuals by removing architectural barriers) and pay for soft costs.
- b. Fiscal Years Covered:**
The strategy will be funded during State Fiscal Years 2007 – 2010.
- c. Income Categories to be served:**
Assistance will be provided to Very Low and Low Income households that meet the income limits as defined by *Florida Statutes*.
- d. Maximum award is noted on the Housing Delivery Goals Chart:**
The maximum amount that may be borrowed is \$20,000 (with change orders).
- e. Terms, Recapture, and Default:**
A mortgage representing SHIP Housing Rehabilitation funds provided to homeowners is placed on the property in the name of the Highlands County Board of County Commissioners.

For Low Income Housing Rehabilitation applicants, the interest rate will be zero percent (0%). Loans shall be payback if the front-end ratio is less than thirty percent (30%) and the back-end ratio is less than forty percent (40%). If either ratio is higher, then the loan shall be deferred for three (3) years, at which time the income to debt ratio will be reviewed. If either ratio is higher, the loan shall be deferred for another three years. Payback loan terms shall

be up to 30 years, but no payment shall be less than \$25.00 per month. The term of the loan will be adjusted to make the ratios meet the 30/40 percent ratios previously described.

If the property is transferred, sold, rented, refinanced or no longer the principal place of residence of the owner (client) before loan is paid in-full, the remaining balance is immediately due and owing the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities.

For a Very Low income homeowners participating in the Housing Rehabilitation Program, a mortgage is required. The interest rate will be 0%. Deferred loans shall be secured by a second mortgage for five (5) years. A mortgage representing SHIP funds provided to the homeowners is placed on the properties in the name of the Highlands County Board of County Commissioners. The mortgage reduces 1/5 per year. The mortgage is forgiven after five (5) years if the owner continues to occupy the home as the principal residence. If the property is transferred, sold, rented, refinanced or no longer the principal place of residence of the owner (client) before five (5) years elapses, the remaining balance (prorated portion) is immediately due and owing the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities. Eligible homeowners may be offered this assistance for one time only.

f. Recipient Selection Criteria:

Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the annual advertisement of the SHIP NOFA, from all applicants meeting the selection criteria.

1. The home must be located in Highlands County.
2. The appraised value of the home may not exceed the maximum sales price allowed in the SHIP program.
3. The home must not be in violation of any housing codes after Housing Rehabilitations are complete.
4. Wherein the cost of repair exceeds 51% of the assessed value of the building no repairs will be made.
5. Credit Issues:
 - No property or other County assessments may be in arrears.
 - Client must be current with their mortgage.

g. Sponsor Selection Criteria:

The County will administer this Strategy. The County will conduct a home inspection and develop a Work Write Up to be distributed to contractors. The County will garner a minimum of two (2) quotes for the work from qualified nonprofit organizations and/or for profit contractors. The

homeowner chooses the quotes and verifies choice by signature. If the low quote is not chosen, the chosen quote must be within 15% of the low quote.

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

- h. Additional Information:**
Mobile homes are not eligible.

C. Emergency Home Repair Program

- a. Summary of the Strategy:**
This strategy is established to support emergency housing repairs for Very Low and Low Income households who reside in single family, owner occupied dwellings within Highlands County. These funds will be used to address life-threatening repairs that represent immediate hazards to the health and safety of the client. Funding will cover the costs of single purpose repairs such as, but not limited to, dangerous flooring, major water leaks, and major electrical problems. This Strategy will be used to remove immediate unhealthy or hazardous conditions that have not been anticipated by the dwelling owner(s) and/or to permit warm weather retro-fits geared toward reduction in energy cost. Retro-fits include, but are not limited to, water heater replacement, installation of ceiling fans, window replacement, window screens, screen doors, minor roof repairs, insulation, whole house fans, repairs to air conditioning and heating systems, and window film.
- b. Fiscal Years Covered:**
The strategy will be funded during State Fiscal Years 2007 – 2010.
- c. Income Categories to be served:**
Assistance will be provided to Very Low and Low Income households that meet the income limits as defined by *Florida Statutes*.
- d. Maximum award is noted on the Housing Delivery Goals Chart:**
The maximum award per dwelling may not exceed \$15,000. Eligible homeowners may be offered this assistance until maximum assistance under this program has been met. However, when SHIP Emergency Home Repair funds are used in conjunction with other state and federal funds (such as Small Cities CDBG) the maximum award per unit may not exceed \$50,000.

e. Terms, Recapture, and Default:

There are no recapture provisions provided under this strategy unless Emergency Home Repair funds are used in conjunction with Community Development Block Grant (CDBG) Housing Rehabilitation or other housing program funds.

When the Emergency Home Repair funds are used in conjunction with other state and federal funds, \$50,000 per house will be allotted to SHIP eligible Very Low and Low income homeowners participating in that program and a mortgage and Note is required. The interest rate will be 0%. Deferred loans shall be secured by a second mortgage for five (5) years. A mortgage representing SHIP funds provided to the homeowners is placed on the properties in the name of the Highlands County Board of County Commissioners. The mortgage reduces 1/5 per year. The mortgage is forgiven after five (5) years if the owner continues to occupy the home as the principal residence. If the property is transferred, sold, rented, refinanced or no longer the principal place of residence of the owner (client) before five (5) years elapses, the remaining balance (prorated portion) is immediately due and owing the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities.

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

f. Recipient Selection Criteria:

Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the annual advertisement of the SHIP NOFA, from all applicants meeting the selection criteria.

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

g. Sponsor Selection Criteria:

The County will administer this Strategy. The County will conduct a home inspection and develop a Work Write Up to be distributed to contractors. The County will garner a minimum of two (2) quotes for the work from qualified nonprofit organizations and/or for profit contractors. The homeowner chooses the quotes and verifies choice by signature. If the low quote is not chosen, the chosen quote must be within 15% of the low quote.

The County will garner a minimum of two (2) for quotes for inspection for lead-based paint in homes built before 1978 or housing children under age 6 (if federal funds such as CDBG are used). Quotes will be accepted from qualified nonprofit organizations and/or for profit contractors.

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

- h. Additional Information:**
Mobile homes are not eligible.

D. Housing Partnership Program

- a. Summary of the Strategy:**
The Housing Partnership Program provides homebuyer subsidy loans to For-Profit and Not-For-Profit organizations that wish to provide permanent owner- occupied housing for Very Low, Low and Moderate Income families. The loan proceeds shall be used to reduce the principal cost of the mortgage to applicants. The For-Profit and the Not-For-Profit agencies will be expected to acquire, develop, and sell the property and identify and assist qualified buyers.

Note* Land acquired with SHIP funds must be put into building within twelve (12) months and fully expended (occupied) within twenty-four (24) months.

This program also permits family to receive down payment assistance to purchase a home through the SHIP Purchase Assistance Program.

The maximum amount of Housing Partnership Funds that may be spent on any housing unit is \$10,000 in the form of a Mortgage Buy Down. Note: Mortgage buy-down funds cannot be included as part of a second “equity” mortgage to homebuyer.

Funds may be used for the following eligible uses:

1. Acquire vacant land that will be used within 12 months for the construction of eligible units.
2. Acquire property and construct new housing.
3. Other eligible uses as approved by the Housing Director.

All properties assisted with Housing Partnership Funds must be located in Highlands County and have potable water, sewer or septic and utilities available. If public water and / or sewer are available to the site, the property must connect to the public supply. The For-Profit and the Not-For-Profit agencies must be able to obtain fee simple title to the property.

No property may be purchased from the person or entity that will develop the property or any person or entity related thereto.

The For-Profit and Not-For-Profit agency is expected to provide the following services:

1. Acquire the property, using due diligence to determine if the property is buildable.
2. Select the home and determining if the home can be built on the site.
3. Meet with the neighborhood association, if one exists, to inform them of the development and obtain input on ways to improve the development.
4. Supervise the construction of the home.
5. Identify the buyer for the home using income criteria as defined by Florida Statutes.
6. Identify a suitable lender who will make the 1st mortgage on the property.
7. Arrange for the sale of the property.
8. Certify that buyers have completed a four (4) hour Money Skills Training Class and a four (4) hour Homebuyer Training Class. The classes will be approved and provided by the Highlands County Housing Department.
9. Certify that buyers have procured Homeowner' Insurance prior to closing and must name the Highlands County Board of County Commissioners as the second mortgagee on the insurance policy.

b. Fiscal Years Covered:

The strategy will be funded during State Fiscal Years 2007 – 2010.

c. Income Categories to be served:

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

d. Maximum award is noted on the Housing Delivery Goals Chart:

The maximum amount of Housing Partnership Funds that may be spent on any housing unit is \$10,000.

e. Terms, Recapture, and Default:

SHIP funds may be used as part of the match, local contribution, to demonstrate local government support or to leverage other funds such as, but not limited to, Florida Housing Finance Corporation programs: Affordable Housing Guarantee Loan Program, Homeowner Assistance Program (HAP), or HOME Investment Partnership Program or other public and private funds. All funds must be used in compliance with SHIP program and/or other state and federal program rules. Housing Partnership Program funds cannot be included as part of a second “equity” mortgage to homebuyers.

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

A mortgage representing SHIP funds provided to new homeowners is placed on the purchased properties in the name of the Highlands County Board of County Commissioners. All SHIP funds under this strategy are subject to a mortgage that shall contain recapture provisions. The interest rate for Purchase Assistance Loans will be zero percent (0%). Payback loan terms shall be up to 30 years, but no payment shall be less than \$25.00 per month.

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

If the borrowers fail or cease to occupy the property as their primary residence, or if the property is transferred or sold before the loan is paid in full, the unpaid balance of the loan is due. If the borrower defaults on the first mortgage, the County may elect, at its discretion, any of the following options:

- (1) Purchase the property and pay off the first mortgage to preserve the investment and make it available to income eligible households;
- (2) Recover as much of its investment as is possible from the net proceeds of the foreclosure sale;
- (3) Provide SHIP Foreclosure Prevention funds to prevent a loan default and stabilize the borrower; or
- (4) Forgive the balance of the loan.

All properties assisted with Homeowner Partnership funds must be in Highlands County.

f. Recipient Selection Criteria:

Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the annual advertisement of the SHIP NOFA, from all applicants meeting the selection criteria.

g. Sponsor Selection Criteria:

Applications will be awarded based upon the sponsor's demonstrated capability and capacity, experience and ability to partner with both public and private sector entities and how well it employs personnel from the WAGES and the Welfare Transition Program.

To be eligible to receive funding the For-Profit and the Not-For-Profit agency must meet the following conditions:

1. It must have received a tax-exempt ruling from the Internal Revenue Service under Section 501(c)(3) or (4) of the Internal Revenue Code.
2. It must have financial accountability standards that permit the Highlands County Housing Department to account for and audit the awarded funds.
3. It must have in its By-Laws, or in its Articles of Incorporation, a statement that one of its goals is to provide affordable housing.
4. It must have a "Certificate of Good Standing" from the Florida Division of Corporations. The Housing Office will ensure that the agency has this certificate by examining the web site of the Florida Division of Corporations.
5. Community Housing Development Organizations (CHDOs) are encouraged to participate.

Applications from Not-For-Profit and For-Profit agencies will be awarded competitively using criteria including, but not limited to, the following:

1. The financial strength of the non-profit agency;
2. The ability of the Not-For-Profit and For-Profit agencies to complete the development by the deadlines established by the state;
3. The capacity of the For-Profit and the Not-For-Profit;
4. The features of the proposed house(s);
5. The marketing plan of the sale of the homes;
6. Whether or not the For-Profit and the Not-For-Profit employs personnel from the WAGES or Workforce Development Program;
7. Whether the proposed housing is compatible with the neighborhoods in terms of design and size.

The Not-For-Profit and the For-Profit agency must sell the developed home to an eligible family on a first come first serve basis.

If applicant sponsor is a nonprofit, it must have received a tax-exempt ruling from the Internal Revenue Service under Section 501(c)(3) or (4) of the

Internal Revenue Code. It must have financial accountability standards that permit the Housing Department to account for and audit the awarded funds. It must have in its By Laws, or in its Articles of Incorporation, a statement that one of its goals is to provide affordable housing.

Both for profit and nonprofit organizations must have a “Certificate of Good Standing” from the Florida Division of Corporations. The Housing Department will verify the certificate by examining the web site of the Florida Department of State, Division of Corporations.

- h. Additional Information:**
Mobile homes are not eligible for purchase or rehabilitation.

E. Foreclosure/Homeless Intervention Program

- a. Summary of the Strategy:**
Highlands County will provide foreclosure intervention assistance on a first come, first serve basis to Highlands County homeowners, depending upon availability of funds. Those homeowners who have purchased a home through Highlands County’s Purchase Assistance Program will be given first priority.
- b. Fiscal Years Covered:**
The strategy will be funded during State Fiscal Years 2007 – 2010.
- c. Income Categories to be served:**
Assistance will be provided to Very Low, Low and Moderate income households that meet the income limits as defined by *Florida Statutes*.
- d. Maximum award is noted on the Housing Delivery Goals Chart:**
Highlands County will assist by paying the delinquent mortgage up to \$2,000.
- e. Terms, Recapture, and Default:**
 1. The default must have been caused by circumstances beyond the control of the applicant that would constitute an emergency. There must be a reasonable prospect that the applicant will be able to resume full mortgage payments to the primary lender. Eligible reasons include loss of employment, sudden medical expenses, divorce, or separation, death in the family, unforeseen home repair bills. Emergency status is determined by the Housing staff.
 2. Applicants must attend the Money Skills Class as provided and approved by the Highlands County Housing Department.
 3. The primary lender must be a lending institution as opposed to a private individual.

4. If the primary mortgage holder has initiated foreclosure, the applicant is ineligible for this program.
5. Eligible homeowners may be offered this assistance for one time only.
6. The payments shall be made directly to the lending institution and must bring the mortgage current. SHIP cannot be used for late fees.
7. A mortgage representing SHIP funds provided to the homeowner is placed on the property in the name of the Highlands County Board of County Commissioners at zero percent interest on a three-year payback loan. Repayment will be deferred until six months after the assistance is provided at which time repayment ability will be determined. No payment shall be less than \$25.00.
8. If the borrower defaults on the first mortgage, the County may elect, at its discretion, any of the following options:
 - (1) Purchase the property and pay off the first mortgage to preserve the investment and make it available to income eligible households;
 - (2) Recover as much of its investment as is possible from the net proceeds of the foreclosure sale;
 - (3) Provide SHIP Foreclosure Prevention funds to prevent a loan default and stabilize the borrower; ; or
 - (4) Forgive the balance of the loan.

f. Recipient Selection Criteria:

Applications will be received on a first come, first serve basis (no waiting list will be developed or maintained), following the annual advertisement of the SHIP NOFA, from all applicants meeting the selection criteria.

- Those homeowners who have purchased a home through Highlands County's Purchase Assistance Program will be given first priority.
- The housing unit must be located in Highlands County.
- Applicants must own and occupy the assisted property as their principal residence.
- Applicants must not be eligible for other related programs.
- Applicants must be delinquent at least one monthly mortgage payment and/or in receipt of a letter from the mortgagee notifying the applicant of delinquency and/or intent to foreclose.
- Applicants must demonstrate that they will be able to keep the house out of default and that they can make monthly mortgage payments.
- No property or other County assessments may be in arrears.

g. Sponsor Selection Criteria: N/A

h. Additional Information:

Mobile homes are not eligible.

F. Disaster Mitigation/Recovery**a. Summary of the Strategy:**

SHIP funds may be used to provide emergency repairs to Very Low, Low and Moderate Income households following a natural disaster as declared by Executive Order of the President of the United States, Governor of the State of Florida or by the Highlands County Board of County Commissioners. Funds may be used for items such as, but not limited to, purchase of emergency supplies for eligible households to weatherproof damaged homes; interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable; construction of wells or repair of existing wells where public water is not available; post disaster assistance with non-insured repairs; demo/rebuild; and soft costs required to process assistance applications. In extreme emergency, these funds may be used to provide assistance for relocation cost associated with rehabilitation of the residence usually occupied by the homeowner.

(Chapter 67-37.007(3)(e), F.A.C.) This strategy will only be implemented in the event of a natural disaster using any funds that have not yet been encumbered.

b. Fiscal Years Covered:

The strategy will be funded during State Fiscal Years 2007 – 2010.

c. Income Categories to be served:

Assistance will be provided to Very Low, Low and Moderate income households that meet the income limits as defined by *Florida Statutes*.

d. Maximum award is noted on the Housing Delivery Goals Chart:

Funds will not be allocated to this strategy except in the case of a federal, county or state disaster.

e. Terms, Recapture and Default:

Disaster Mitigation/Recovery funds will be in the form of a grant and will not be recaptured with the exception of demo/rebuild. A demo/rebuild requires a deferred payment loan. The interest rate will be 0%. Deferred loans shall be secured by a second mortgage for ten (10) years. A mortgage representing SHIP funds provided to the homeowner is placed on the property in the name of the Highlands County Board of County Commissioners. The mortgage reduces 1/10 per year. The mortgage is forgiven after ten years if the homeowner continues to occupy the home as the principal residence. If the property is transferred, sold, refinanced or no longer the principal place of residence of the homeowner before 10 years elapses, the remaining balance (prorated portion) is immediately due and owing to the Highlands County Board of County Commissioners. These funds are placed in the local Housing Trust Fund to pay for other eligible SHIP activities.

- f. Recipient Selection Criteria:**
Applications will be selected on a first come first serve basis to persons with damage from a national, state or local disaster. Applications for emergency assistance will be given priority above others on any waiting list that may exist for other strategies. Applicant Selection Criteria as described under the Emergency Home Repair Program apply to the Disaster Mitigation/Recovery Program as well.
- g. Sponsor Selection Criteria:**
Sponsor Selection Criteria as described under the Emergency Home Repair Program apply to the Disaster Mitigation/Recovery Program as well.
- h. Additional Information:**
Mobile homes are not eligible.

G. Special Needs Housing/Rental Development Program

- a. Summary of the Strategy:**
SHIP funds may be used as part of the Local Contribution when participating in such programs as, but not limited to, the Federal Housing Credits, McKinney Act Funding, and the Florida State Apartment Incentive Loan (SAIL) Programs and USDA Programs to construct or rehabilitate multi-family rental housing developments. The Housing Department will use SHIP funds to meet the Local Contribution or match that is required to permit the development to be funded by the state or federal programs designed for the development of rental housing.
- b. Fiscal Years Covered:**
The strategy will be funded during State Fiscal Years 2007 – 2010.
- c. Income Categories to be served:**
Assistance will be provided to Very Low and Low Income households that meet the income limits as defined by *Florida Statutes*.
- d. Maximum award is noted on the Housing Delivery Goals Chart:**
The maximum amount of SHIP funds that may be received for any one development will be \$10,000 per unit, pending funding availability, for the purchase, construction, and/or rehabilitation of temporary, transitional, or permanent rental housing.
- e. Terms, Recapture, and Default:**
The loan to the developer will be a Deferred Payment Loan for fifteen (15) years at a 1% to 5% interest rate, depending upon cash flow of the project. Recipients that offer the 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. If a nonprofit agency is not interested in purchasing the property, the property may be sold and the balance of the loan will be recaptured. The Housing Department will also be responsible for the annual monitoring necessary to insure that rents remain affordable per Chapter 67-37.005(6)b(7) and 67.37.015(3) of the *Florida Administrative Code*.

f. Recipient Selection Criteria:

Applicants must meet the following eligibility criteria in order to occupy a SHIP funded unit or receive assistance from eligible program sponsors:

- Must be Very Low or Low Income as defined in Chapter 67-37.005(6)b(7) and 67.37.015(3) of the *Florida Administrative Code* adjusted to Family Size for the current year in which the applicant applies.
- Applicant must serve one of the special needs groups as defined below.
- The developer will select the tenants that will lease the units using their criteria, provided it is consistent with the requirements of Section 420.9075.

g. Sponsor Selection Criteria:

- Potential sponsors must submit a proposal describing the proposed rental housing; conduct one neighborhood meeting; provide a letter of support from the local government where the development is located; and designate a minimum of 10% of the units for Special Needs households.
- Special needs households are defined as persons who are elderly (here defined as persons over age 62 years), developmentally disabled, mentally ill, substance abusers, runaway and abandoned children, victims of domestic violence, farmworkers, disabled adults, homeless individuals or persons with HIV and/or AIDS.
- All sponsor applicants will be required undergo a credit underwriting review process.
- Eligible property/buildings shall be located in Highlands County, including any incorporated area.
- Eligible property must comply with the Building Construction Standards in Chapter 553 *Florida Statutes*. An agreement will be required between the sponsor and the County to ensure a quality-housing product.
- All work must be complete and the building occupied by eligible clients prior to the close of the grant from which these funds are taken.
- Final invoices must be submitted for reimbursement prior to May 1st of the grant year from which these funds are taken.

- Applications will be selected using predetermined criteria such, but not limited to site control and project feasibility. Need will be determined by the most recent Highlands County Housing Assessment Study.

h. Additional Information:

Mobile Homes are not considered eligible properties.

Disallowed expenditures include but are not limited to the following:

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

III. LHAP INCENTIVE STRATEGIES

- A. Expedited Permitting *Section 420.9071(16), F.S*
Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.
- a. **Established Policy and Procedures¹:**
When requested by an applicant for an affordable housing project, as defined by *Chapter 420, Part VII, Florida Statutes*, and the application is determined to be complete along with the required fee, the County shall grant first priority in plan review and processing to expedite the issuance of a preliminary and a final development order and all applicable development permits. 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 unless otherwise exempt.
- B. **Ongoing Review Process**
An ongoing review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption.
- a. **Established Policy and Procedures²:**
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**
- a. The County will waive Impact Fees when evidence that the Residential Construction is affordable housing. **Affordable Housing** shall mean a Dwelling Unit which is 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. (*Amended Ordinance 06-07-02, 11/28/06, Exceptions, Section 4.01*)

¹ *Highlands County Code Ordinances 5.1-20 Article Five, Section One: General Administrative Provisions*
Ibid... 6.1-20 Article Six, Section One: Building Code
Ibid... 6.2-20 Article Six, Section Two: Fire Code

² *Highlands County Comprehensive Plan; Adopted January 16, 1991 (Revised August 22, 2000) (Effective Nov. 8, 2000) (Amended by Rod. No. 99-16, Aug. 3, 1999, CPA-99-085LS, 99-1ER)*

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.

IV. EXHIBITS

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|-----------|--|-------------------------|
| A. | Administrative Budget: 2007-2010 | <u>Exhibit A</u> |
| B. | Timeline for Encumbrances and Expenditures: 2007 – 2010
<i>Chapter 67-37.005(6)(d) and (f), F.A.C.</i> | <u>Exhibit B</u> |
| C. | Housing Delivery Goals Chart (HDGC): 2007 – 2010
<i>Chapter 67-37.005, F.A.C.</i> | <u>Exhibit C</u> |
| D. | Certification Page
<i>Chapter 67-37.005(7), F.A.C.</i> | <u>Exhibit D</u> |
| E. | Adopting Resolution
<i>Section 420.9072(2)(b)2, F.S.</i> | <u>Exhibit E</u> |
| F. | Program Information Sheet | <u>Exhibit F</u> |
| G. | Ordinance:
<i>Section 420.9072(3)(a), F.S.</i> | <u>Exhibit G</u> |
| H. | Interlocal Agreement:
<i>Section 420.9072, F.S.</i> | N/A |