



SANTA ROSA COUNTY DEVELOPMENT SERVICES - HOUSING

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MEMORANDUM

TO: Board of County Commissioners

FROM: Erin Malbeck, Housing Program Coordinator

THROUGH: Beckie Cato, AICP, Planning Director

SUBJECT: State Housing Initiatives Partnership (SHIP)
SHIP Local Housing Assistance Plan (LHAP)
Fiscal Years Covered: 2016-2017-2018

DATE: July 20, 2016

DISCUSSION

Recommend Board approval of the revisions suggested by the Florida Housing Finance Corporation (FHFC) to the recently approved 2016-2018, three year Local Housing Assistance Plan (LHAP).

BACKGROUND

The Plan defines the purpose of the program which is to meet the housing needs of the very low, low, and moderate income households, to expand production of and preserve affordable housing, and to further the housing element of Santa Rosa County's Comprehensive Plan specific to affordable housing.

The 2016-2018 LHAP was approved by resolution by the board on March 10, 2016. The FHFC's Review Committee issued a provisional approval on March 30, 2016 with suggest changes. The SHIP Affordable Housing Advisory Committee reviewed these suggested changes on July 12, 2016 and recommended approval. Please see attached LHAP, changes are in strikethrough and underline format on pages 18-21 .

COMPLETION

Once approved, housing staff will resubmit to FHFC for final approval.

SANTA ROSA COUNTY



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2016-2017, 2017-2018 and 2018-2019

BOCC Approved: March 10, 2016

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<ul style="list-style-type: none"> A. Administrative Budget for each fiscal year covered in the Plan B. Timeline for Estimated Encumbrance and Expenditure C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan D. Signed LHAP Certification E. Signed, dated, witnessed or attested adopting resolution F. Ordinance: (If changed from the original creating ordinance) G. Interlocal Agreement 	

I. Program Details:

A. Name of the participating local government:

SANTA ROSA COUNTY

Is there an Interlocal Agreement: 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/listed here apply to all strategies unless otherwise stated in the strategy: Priority is given to applicants with Special Needs as defined in 420.0004 Florida Statutes.

J. Discrimination:

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

K. Support Services and Counseling:

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

L. Purchase Price Limits:

The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the 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.

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. If there are reasonable compensating factors to demonstrate that a higher percentage is not likely to create a hardship and the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark. In the case of rental housing, the cost does not exceed those rental limits adjusted for bedroom size, the household may devote more that 30% to housing expense.

A higher ratio of monthly mortgage payment (PITI) up to 39% may be considered if two or more of the following compensating factors apply:

- Demonstrated ability to budget and save on a consistent basis with an average of six (6) month savings of twice the PITI on the proposed loan.
- History of steady employment for more than two years in the same line of work or having completed college or specialized training in the field currently employed verified by the current employer.
- Credit score above 650
- Demonstrated ability to pay monthly rent on-time for a period of six (6) months at a comparable amount to the proposed PITI on the new loan preventing payment shock.

If an application is approved with a front-end ratio above 30%, the applicant will be required to sign an affidavit to signify that they are aware that the payment ratio exceeds the recommended program guidelines and that they are financially capable to meet the monthly mortgage requirements. If reasonable compensating factors as described above are not present, applicants with mortgage payment ratios in excess of 30% may not receive program funding. Applications with PITI to income ratios of 40% and higher will not be approved.

N. Welfare Transition Program:

Should an eligible sponsor be used, Santa Rosa 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 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 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.

Santa Rosa 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.” Santa Rosa 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 Santa Rosa County.

R. Project Delivery Costs:

Owner Occupied Rehabilitation

- Title Search
- Inspection fee
- Construction oversight fee
- Appraisal

Emergency Repair

- Title Search
- Inspection Fee
- Construction oversight

Demolition/Reconstruction

- Title Search
- Construction Oversight
- House Plan
- Survey
- Septic inspection & permit fees
- Appraisal

Purchase Assistance without Rehab

- Documentary Stamps on the deed
- First and second mortgage recording fees
- Intangible tax on the first mortgage
- Documentary stamps on the first note and second mortgage
- Appraisal fee
- Credit report fee
- Origination fee or service fee charged by lender
- Title search and title insurance
- Property survey fees
- Homeowner's insurance for first year
- Flood Certification
- Rural development fee
- Home Inspection

S. Essential Service Personnel Definition:

Defined in Rule Chapter 67-37.002(8) F.A.C., Chapter 67-37-005(10), F.A.C. and Section 420.9075(3), F.S.

"Essential Services Personnel" means persons whose household incomes do not exceed 140% of AMI for the CWHIP Program, and 120% of AMI for the purposes of SHIP as defined in the SHIP Rule 67-37 as determined annually by the Florida Housing Finance Corporation and adjusted for family size, and shall include persons in need of affordable housing who meet all of the following requirements:

Permanently employed by a company or organization located within Santa Rosa County, the City of Milton, the City of Jay, or the City of Gulf Breeze, all lying within Santa Rosa County, Florida in one of the following categories:

- a) Local or state law enforcement, fire, rescue, and emergency services, public safety and emergency management
- b) Teachers, educators, and school district personnel in the public, private and university systems
- c) Health care professionals and support personnel
- d) Tourism industry professionals and employees
- e) Judicial/Court system management and support personnel
- f) Service industry personnel, including child care, hospitality, and food service.

T. Describe efforts to incorporate Green Building and Energy Saving products and processes:

Section 420.9075(3) (d), F.S. requires counties and eligible municipalities to describe initiatives in their local housing assistance plans that encourage or require innovative design, green building principles, storm resistant construction or other elements that reduce long term costs relating to maintenance, utilities or insurance.

Santa Rosa County new construction, owner occupied rehabilitation, or emergency repair specifications require that all appliances purchased and installed must have an *Energy Star* rating

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

Persons with special needs, as defined in F.S. 420.0004(13) means an adult requiring independent living services in order to maintain housing or development independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under F.S. 409.1451(5); a survivor of domestic violence as defined in F.S. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the supplemental Security Income (SSI) program or from veterans disability benefits.

The Special Needs set aside will be met through all strategies, with particular attention given to the Rehabilitation and Reconstruction Housing strategies to provide the opportunity for owner occupants to remain independent in their homes and maintain

homeownership

V. Describe efforts to reduce homelessness:

The Santa Rosa County Housing Department maintains a close working relationship with homeless assistance organizations such as Loaves and Fishes Soup Kitchen, Family Promise, and First Call for help.

Section II. LHAP Strategies:

A.

<i>OWNER OCCUPIED REHABILITATION</i>	3
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a. Summary of Strategy:

Funds will be provided for repairs and rehabilitation of sub-standard owner-occupied single-family units. The work will address repairs or improvements that are needed for safe or sanitary habitation or correction of substantial building code violations in accordance with the Housing Program Rehabilitation Manual.

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

c. Income Categories to be served:

Very low, low

d. Maximum award: **\$35,000 Awards**

e. Terms:

1. Loan/deferred loan/grant: Deferred Payment Loan

2. Interest Rate: 0%

3. Term:

Applicants who are 62 years of age or older AND very low income OR Special Needs AND very low income will receive assistance which is secured by a mortgage with no monthly payments that is forgiven at a rate of 20% per year over a five (5) year period. At the end of the five (5) years, the loan is forgiven

All other applicants will receive assistance which is secured by a mortgage with no monthly payments for a term of ten (10) years. At the end of ten (10) years, the loan is forgiven

4. Repayment: The outstanding balance on the loan is due and payable when any of the following conditions occur:

- Sale.
- Occupancy. If the homeowner no longer resides in the home
- Title Transfer. If the title is transferred, Exception is made in the event the homeowner dies during the loan period. Title transfer can

be made to an income-eligible heir who is going to make the house their primary residence. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the outstanding balance on the loan is due and payable .

- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination may be submitted for consideration.

f. Recipient Selection Criteria:

The household must provide proof of property ownership. (Life estates are recognized as proof of ownership). Awards will be made from applicants on the waiting list on a first qualified, first served basis. Priority will be given to applicants with special needs as defined in Florida Statute 420.0004. Outstanding mortgage and real estate taxes must be current and the owner must have homestead exemption claimed.

g. Sponsor/Developer Selection Criteria: N/A

h. Additional Information:

- Asset Limitation. Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook Asset Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance. The primary residential housing unit is not included when calculating family assets.
- Funding Limitation. An applicant assisted under this strategy is ineligible to receive additional funding for substantial repair during an outstanding 5-year or 10-year lien period. A homeowner is eligible to reapply for further assistance after the current/existing lien period has expired.
- Mobile Homes are not eligible for assistance
- Rehabilitation specifications require that all appliances purchased and installed must have an *Energy Star* rating.

B.

EMERGENCY REPAIR

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a. Summary of Strategy:

Funds will be used to provide emergency repair assistance in the form of a deferred payment loan (DPL) for very-low and low income homeowners. Funds will be used to address roofing, electrical, plumbing, sanitary disposal, life/safety conditions, structural code deficiencies and other related repairs.

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

c. Income Categories to be served:

very-low and low incomes.

d. Maximum award: \$12,000

e. Terms:

1. Loan/deferred loan/grant: Deferred Payment Loan

2. Interest Rate: 0%

3. Term:

Assistance will be given to qualified homeowners, secured by a recorded mortgage that is forgivable on the annual date of the loan at a rate of 20% per year over a five (5) year period. At the end of five (5) years, the loan will be forgiven.

4. Repayment:

The outstanding balance of the loan must be repaid when any of the following conditions occur:

- Sale.
- Occupancy. If the homeowner no longer resides in the home
- Title Transfer. If the title is transferred, exception is made in the event the homeowner dies during the loan period. Title transfer can be made to an income-eligible heir who is going to make the house their primary residence. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir, the outstanding balance on the loan must be repaid.

- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination may be submitted for consideration.

f. Recipient Selection Criteria:

The household must provide proof of property ownership. (Life estates are recognized as proof of ownership). An extensive waiting list exists under this strategy. Awards will be made from applicants on the waiting list on a first qualified, first served basis. Priority will be given to applicants with special needs as defined in Florida Statute 420.0004. Outstanding mortgage and real estate taxes must be current and the owner must have homestead exemption claimed.

g. Sponsor/Developer Selection Criteria:

The sponsor/sub-recipient RFP process will only be used if the county elects to solicit a third party agent to administer the emergency repair strategy. Should the county elect to use a third party, the selection of a sub-recipient will be based upon responses to an advertised request for proposal (RFP). Selection criteria will include:

- Past experience of agency in managing emergency housing repair assistance activities;
- Projected SHIP cost per housing unit;
- Commitment of non-SHIP funds as leverage for SHIP dollars; and,
- Commitment to limit assistance to very low income households.

Proposals meeting the RFP requirements will be evaluated by the Affordable Housing Advisory Committee to determine the agency or organization that will implement the strategy. Final selection and contract approval will be made by the Board of County Commissioners. The RFP may solicit participation for the full three year LHAP period.

h. Additional Information:

- a) Asset limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook Asset Exhibit 5-2 (4350.3 REV-1), are ineligible to received assistance.
- b) Mobile homes are not eligible for assistance.

- c) Emergency repair specifications require that all appliances purchased and installed must have an *Energy Star* rating.

C.

<i>DEMOLITION/RECONSTRUCTION</i>	4
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a. Summary of Strategy:

Existing uninhabitable or dilapidated structures for homeowners that do not have alternative housing or financial resources to alleviate the situation may be replaced under this strategy. The property must be owner-occupied and homesteaded with clear title. Liens, taxes and assessments must be current. The existing structure must be confirmed as substandard and not suitable for habitation by the appropriate county building officials. Applicants will be given a choice of several housing plans. A new or retrofit of the existing utilities driveway apron and demolition may be included as part of the construction costs and included in the bidding process.

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

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

d. Maximum award: \$100,000

e. Terms:

1. Loan/deferred loan/grant: Deferred Payment Loan

2. Interest Rate: 0%

3. Term:

Assistance will be given to qualified homeowners, secured by a recorded mortgage that is forgiven after 20 years of residency.

4. Forgiveness/Repayment:

The deferred payment loan will be forgiven after 20 years. The loan must be repaid when any of the following conditions occur during the term of the loan:

- Sale.
- Occupancy. If the homeowner no longer resides in the home
- Title Transfer. If the title is transferred An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception

and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir

- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination of the lien may be submitted for consideration

f. Recipient Selection Criteria: Applicants are assisted on a first qualified /first served basis. Applicants are required to provide accurate documentation for income and qualification determination. Funds will be encumbered on a first qualified basis. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.

g. Sponsor/Developer Selection Criteria: N/A

h. Additional Information:

- Asset Limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook Asset Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
- Funding Limitation: An applicant assisted under this strategy is ineligible to receive additional funding for substantial repair during the 20 year lien period. A homeowner is eligible to apply for emergency repair or disaster assistance as circumstances warrant.
- Mobile homes are eligible for replacement

D.

<i>FIRST TIME HOMEBUYER (DOWN PAYMENT/CLOSING COST AND PRINCIPAL MORTGAGE REDUCTION ASSISTANCE)</i>	1 & 2
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a. Summary of Strategy:

Funding will be provided to assist potential homebuyers with reducing the cost of purchasing a home. Eligible costs include, but are not limited to, down payment, principal mortgage reduction, first and second mortgage recording fees, intangible tax, appraisal fee, credit report fee, origination fee or service fee charged by the lender or closing agent,

charges for title search and title insurance, the first year premium of hazard insurance, inspection fees and survey fees. Homes purchased through this strategy must meet the definition of "eligible housing" as defined in the SHIP Rule. Eligible units may be newly constructed or existing units which have had or will have repairs needed for safe or sanitary habitation, the correction of substantial code violations, or the creation of additional living space within 12 months of closing. Evidence of repairs must be adequately documented. Escrows for future payments of real estate taxes, hazard insurance premiums or other required escrowed items are not eligible to be paid with SHIP funds.

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: \$15,000**
- **Low: \$10,000**
- **Moderate: \$7,500**

e. Terms:

1. Loan/deferred loan/grant: Deferred Payment Loan
2. Interest Rate: 0%
3. Term:

Funds must be secured by 15 year mortgage. At the end of the 15 year mortgage, the loan is forgiven. The loan must be repaid when any of the following conditions occur:

- Sale.
- Occupancy. If the homeowner no longer resides in the home
- Title Transfer. If the title is transferred. An exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income.
- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination of the lien may be submitted for consideration

- f. Recipient Selection Criteria: Assistance will be provided on a first qualified , first served basis. An applicant must be a first time homebuyer, which is defined as a person that has not owned a home or had ownership interest in a homestead property in the previous three (3) years. Applicants must successfully complete a homebuyer counseling course.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information:
 - Applicants receiving First Time Homebuyer assistance are not eligible for additional SHIP assistance except for Emergency Repair or Disaster Assistance for a period of five (5) years.
 - Funds may be leveraged with federal, state, and private funds as well as donations
 - Asset Limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook Asset Exhibit 5-2 (4350.3 REV-1), are ineligible to receive assistance.
 - Mobile homes are not eligible for assistance.

E.

<i>DISASTER MITIGATION/RECOVERY</i>	5
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- a. Summary of Strategy:

SHIP funds may be used in all areas of Santa Rosa County to provide emergency repairs to homes owned by very low, low and moderate income families in the aftermath of a disaster declared by Executive Order. Generally, such needs shall include, but not be limited to, interim repairs to avoid further damage to the homes of eligible families; tree and debris removal required to make individual housing units habitable by the eligible family; and post-disaster assistance with non-insured repairs to homes. This optional strategy will be implemented only in the event of a declared disaster by the President or Governor that directly impacts Santa Rosa County.
- 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 per household/dwelling: **\$15,000.**
- e. Terms:

1. Loan/deferred loan/grant: Deferred Payment Loan
2. Interest Rate: 0%
3. Term:

The Deferred Payment Loan will be secured by a recorded mortgage that is forgivable at a rate of 20% per year over a (5) year period. At the end of the five (5) years, it is forgiven. The outstanding balance of the loan must be repaid when any of the following conditions occur:

- Sale. If the property is sold
- Occupancy. If the homeowner no longer resides in the home Title Transfer. If the title is transferred A exception is allowed if a transfer is made to an income-eligible heir who is going to make the house their primary dwelling. The heir must apply for the exception and provide necessary information to certify household income. If the title is transferred to an eligible heir who is not going to reside in the house or a non-income eligible heir
- Refinance to Access Equity. If a refinance is pursued to obtain a lower fixed rate mortgage, a reduction in the monthly principal and interest payment, with no cash out, a written request for the refinance and re-subordination of the lien may be submitted for consideration

f. Recipient Selection Criteria:

Assistance will be provided on a first qualified, first served basis following the declaration of the disaster. The home must be owner-occupied and documented for homestead exemption. Qualified applicants are defined as those that have provided all necessary documentation to determine income and property eligibility.

g. Sponsor/Developer Selection Criteria: N/A

h. Additional Information:

- Asset Limitation: Applicants owning family assets exceeding \$25,000, as calculated in accordance with HUD's Occupancy Handbook Asset Exhibit 5-2 (4350.3 REV-1) are ineligible to receive assistance.
- Mobile homes are not eligible for assistance

F.

RENTAL DEVELOPMENT (Leverage for State and Federal Programs)	21
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a. Summary of Strategy:

Rental Development SHIP funds may be used to support the Local Government Contribution when participating in such programs as, but not limited to, Low Income Housing Tax Credit (LIHTC), State or local tax-exempt bonds, the State Apartment Incentive Loan Program (SAIL) and the Predevelopment Loan Program. The SHIP local government contribution will be expended to support new construction of multi-family rental housing developments for eligible persons, including those with special needs. Funds to support affordable housing rental initiatives will be committed on a per project basis. The actual amount is ultimately contingent upon the matching levels required to effectively participate in the various programs and initiatives.

For those projects undertaken primarily in partnership with a local Community Housing Development Organization (CHDO) or a 501(c)(3) non-profit, an affordable housing sponsor will be selected through an open proposal submission process. The Board of County Commissioners will make the final decision regarding any project funding

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

c. Income Categories to be served:

very low, low, and

moderate income families(at least 10% of the families must be either very low income or special needs.

d. Maximum award:

\$50,000 per unit up to \$175,000 per project ~~\$175,000 per project; \$50,000 per unit. The funding will be awarded on a project based to the developer as development progresses and in accordance with terms approved on each specific project by the Board of County Commissioners.~~

e. Terms:

1. Loan/deferred loan/grant: Deferred Payment Loan
2. Interest Rate: 0%
3. Term:

Funds will be secured by either a 20 or 25 year mortgage, as approved by the Board of County Commission based upon the specific project terms presented for consideration, forgivable in annual increments over the full term of the mortgage assuming compliance with all SHIP requirements by the Sponsor agency. Funds will be secured by mortgage and note.

Maximum term is 25 years, unless a longer term is specifically required as a condition for project financing. As defined in the applicable mortgage and note, full recapture of SHIP funds invested is required upon default, unless a forgiveness provision is incorporated into the mortgage and note in which case, the outstanding balance shall be due and payable upon default.

Compliance monitoring shall be performed annually throughout the term of the loan by county housing program staff or a designated agent through direct review of Sponsor agency documentation to establish compliance with SHIP Program affordability requirements with respect to tenant occupancy, income levels, and rental rates. For FHFC financed projects that also receive SHIP local support, occupancy, rent, and housing quality compliance documentation secured by FHFC or its contract monitor, shall be deemed acceptable in meeting this requirement. The sale of properties assisted with SHIP funds shall require approval of the Board of County Commissioners and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note. Under the SHIP Program, assisted rental properties offered for sale prior to the end of the term of assistance must be subject to a right of first refusal for purchase at the current market value by eligible non-profit organization that would provide continued occupancy by SHIP eligible persons.

f. Recipient Selection Criteria:

Assistance will be provided on a first qualified /first served basis

g. Sponsor/Developer Selection Criteria:

- Sponsor's past experience in building affordable multifamily units;
- Sponsor's past experience and demonstrated performance in management/operation of housing for special needs population(s) as defined

in 420.0004 FS;

- Proposed total SHIP cost per unit;
- History of providing housing to very low income families have special housing needs;

h. Additional Information: N/A

G.

<i>DEVELOPMENT OF RESIDENTIAL UNITS TARGETING SPECIAL NEEDS HOUSING</i>	12
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a. Summary of Strategy:

To assist local non-profit sponsors in developing special needs housing for eligible clients through acquisition, rehabilitation, and/or new construction of suitable units. Persons who have Special Housing Needs, are defined in 67-37.002(21) F.A.C. Such units shall be utilized by the subject non-profit sponsor to meet short or long-term housing needs of eligible persons. Operational costs after initial acquisition shall be the responsibility of the sponsoring agency.

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

c. Income Categories to be served: Very-low

d. Maximum award:

\$175,000 per project—~~\$75,000 per unit~~

e. Terms:

1. Loan/deferred loan/grant: Direct **loan grant** to provide special needs housing, along with a development agreement (agreement will contain specific terms and conditions that are project specific addressing construction/acquisition and set-aside restrictions as designated by the Board of County Commissioners), and deed restrictions for not less than fifteen (15) years and not more than the most restrictive period required by any funding source. Compliance monitoring shall be performed annually throughout the term of the loan by county housing staff or designated agent through direct review of Sponsor agency documentation to establish compliance with SHIP Program affordability requirements with respect to

tenant occupancy, income levels, and rental rates. For FHFC financed projects that also receive SHIP local support, occupancy, rent, and housing quality compliance secured by FHFC or its contract monitor, shall be deemed acceptable in meeting this requirement. The sale of properties assisted with SHIP funds shall require approval of the Board of County Commissioners and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note. Under the SHIP Program, assisted rental properties offered for sale prior to the end of the term of assistance must be subject to a right of first refusal for purchase at the current market value by eligible non-profit organizations that would provide continued occupancy by SHIP eligible persons.

2. Interest Rate: 0%
 3. Term: **Funds will be secured by either a 20 or 25 year mortgage, as approved by the Board of County Commission based upon the specific project terms presented for consideration, forgivable in annual increments over the full term of the mortgage assuming compliance with all SHIP requirements by the Sponsor agency. Funds will be secured by mortgage and note. Maximum term is 25 years, unless a longer term is specifically required as a condition for project financing. As defined in the applicable mortgage and note, full recapture of SHIP funds invested is required upon default, unless a forgiveness provision is incorporated into the mortgage and note in which case, the outstanding balance shall be due and payable upon default. Dependent upon the development agreement approved by Board of County Commissioners.**
- f. Recipient Selection Criteria: Assistance will be provided on a first come/first served basis. Properties secured through this activity shall be limited to occupancy by persons or families who are homeless or have special needs and who are under active case management by the Sponsor agency. Sponsor agency/agencies shall provide income and occupancy documentation to the SHIP Administrator at least annually.
- g. Sponsor/Developer Selection Criteria: The selection of sponsors for management

of the special needs housing units will be based upon responses to an advertised request for proposal. Selection criteria will include the following:

- Non-profit sponsor's past experience and demonstrated performance in management/operation of housing for special needs population(s);
 - Sponsor's previous experience with documenting recipient's eligibility;
 - Proposed total SHIP cost per unit;
 - Demonstrated experience in providing services that are appropriate to the population residing in the units
- h. Additional Information: N/A

III. LHAP Incentive Strategies

Section 420.9071(16), 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.
 Established policy and procedure:
 On, June 11, 1998, Santa Rosa County adopted Resolution 98-17 adopting an expedited processing procedure. Affordable housing permit applications will be given priority in the event the permit approval time should reach a level in excess of seven (7) days.
- B. Name of the Strategy: **Ongoing Review Process**
 An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.
 Established policy and procedure:
 Resolution 98-17, Section 1 (b) establishes the requirement for the review of local policies, procedures, ordinances, regulations and plan provisions that significantly impact the cost of housing, prior to their adoption with an emphasis on limiting the cost impact upon housing affordability. The County Planning office will have the responsibility of performing the review procedure.
- C. Name of the Strategy: **Modification of Impact Fee Requirements**
 The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing
 The county currently has a moratorium on transportation impact fees. However, in

the event the moratorium is lifted, the county has an installment method which permits payment over a period of seven years with 1/7th paid upon approval and 1/7th paid annually for six years.

D. Name of Strategy: **Inventory of Locally Owned Public Land**

The preparation of a printed inventory of locally owned public lands suitable for affordable housing. An inventory of locally owned public lands suitable for affordable housing will be maintained by the County. The GIS Department has developed a program to identify such properties. A listing may be obtained upon request.

IV. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan.
Exhibit A has been completed in accordance with SHIP requirements
- B. Timeline for Estimated Encumbrance and Expenditure. *Chapter 67-37.005, F.A.C.*
A separate timeline for each fiscal year covered in this plan is attached as Exhibit B. Program funds will be encumbered by June 30 one year following the end of the applicable State fiscal year. Program funds will be fully expended within 24 months of the end of the applicable State fiscal year. (Will be completed in accordance with SHIP requirements)
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan. Chapter 67-37.005, F.A.C. **Exhibit C.** (Has been completed in accordance with SHIP requirements)
- D. Signed LHAP Certification. Chapter 67-37.005, F.A.C.
Signed Certification is attached as **Exhibit D.**
- E. Signed, dated, witnessed or attested adopting resolution. **Exhibit E**
- F. Ordinance: (If changed from the original creating ordinance).
No change from the original ordinance
- G. Interlocal Agreement.
There is no Interlocal Agreement

H. Other Documents Incorporated by Reference.