

ATTACHMENT A

PALM BEACH COUNTY

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



FISCAL YEARS COVERED
2007/2008, 2008/2009, 2009/2010

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:
Section 420.9072(5), F.S.

Palm Beach County

Interlocal : Yes _____ No X

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

N/A

A copy of the Interlocal Agreement is attached as N/A.

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

Creation of the Plan 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 housing element of the local government 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 all applicable statutes and rules.** The SHIP Program does further the housing element of the local government Comprehensive Plan.

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

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 Plans are 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: *Chapter 67-37.005(3), F.A.C.*

Public input is solicited through face to face meetings with housing providers, social service providers, local lenders and neighborhood associations during monthly advertised meetings of the County's Commission on Affordable Housing (CAH) established and active since 1990. Additionally, open work sessions dedicated solely to the development of affordable housing programs and policies are held. These sessions are open to the public, and include representative from various non-profit and for-profit housing providers, local lenders, realtors, governmental agencies and providers of affordable housing related services.

H. Advertising and Outreach *Chapter 67-37.005(6)(a), F.A.C.*

Palm Beach County or its administrative representative shall advertise the notice of funding availability 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. In addition to advertising in newspaper, the County will advertise on its website. County staff will also participate in local homebuyers fair and workshops.

I. Discrimination: *Section 420.9075(3)(c), F.S.*

In accordance with the provisions of ss.760.20-760.37, it is unlawful to 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, and may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling and Transportation. Local financial institutions and non-profit agencies provide home buyer education seminars and workshops on a regular basis to educate prospective applicants.

K. Purchase Price Limits: *Section 420.9075(4)(c), F.S. and Chapter 67-37.007(6) F.A.C.*

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

The methodology used is:

Independent Study (copy attached)

U.S. Treasury Department

Local HFA Numbers

The purchase price limit for new and existing homes is shown on the Housing Delivery Goals Charts

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 Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. 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 (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: Wages to Work: *Chapter 67-37.005(6)(b)(7)F.A.C.*

Should a eligible sponsor be used, the city/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 WAGES and Workforce Development Initiatives programs 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 staff or 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 the same 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 \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored for at least annually for 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.

- 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.

In accordance with Chapter 67-37, Florida Administrative Code, the cost of administering the local housing assistance plan may not exceed 5 percent of the local housing distribution moneys and program income deposited into the trust fund. However, the Board of County Commissioners (BCC) determined 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. Instead, they determined 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. As such, the BCC adopted a resolution which authorizes ten percent of the local housing distribution plus five percent (5%) of program income for administrative costs.

*The Board of County Commissioners has adopted the above findings in the attached resolution, **Exhibit E**.*

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

A. Name of the Strategy: Purchase Assistance:

- a. **Summary of the Strategy:** SHIP funds will be made available to income eligible first time homebuyers with the goal of expanding homeownership opportunities to the targeted income groups. Assistance can be used for gap financing, lot acquisition; down payment; rehabilitation of the unit to be purchased; and closing cost; and will be based on the financing needs of the individual homebuyer up to the maximum amount of assistance available for the income group . Permanent first mortgage financing is required and provided through private sector financing institutions.

SHIP funds will also be made available to income eligible law enforcement officers who are first time homebuyers residing in identified redevelopment target areas with high incidences of crime. The maximum award for income eligible low and moderate income law enforcement officers will be up to \$60,000.

SHIP funds will not be utilized for the purchase of mobile homes.

- b. **Fiscal Years Covered:** 2007/2008; 2008/2009; 2009/2010
c. **Income Categories to be served:** Very Low, Low and Moderate Income.

- d. **Maximum Award:** is noted on the Housing Delivery Goals Charts. The maximum award is not automatically provided. The amount awarded is based on what's needed to purchase the property at a monthly payment affordable to the prospective homebuyer.
- e. **Terms, Recapture and Default:** Deferred payment loans secured by mortgage and note for a term of thirty (30) years with zero interest. No payment is required as long as the home remains the primary residence of the applicant. If the property is sold, title is transferred or conveyed to an income eligible buyer during the term of the mortgage, repayment may be waived if the new buyer accepts and agrees to the term and conditions of the mortgage including, but not limited to the primary residence requirement. The purchaser's eligibility will be determined by the County and must be requested by the owner prior to the sale of the property. Any applicable affordability restrictions will be transferred to the new owner.

If the home is sold, title is transferred or conveyed to an ineligible buyer, or the home ceases to be the primary residence of the applicant during the term of the mortgage, the entire amount of the loan shall become immediately due and payable. In the event of a sale, the County may exercise its right of first refusal to purchase the property at its current market value for continued occupancy by income eligible persons.

In the event of the death of the borrower prior to the end of the term of the mortgage, the outstanding balance become immediately due and payable. If the property is inherited by an income eligible heir that meets the requirements of the program, repayment may be waived, if the new homeowner accepts the terms and conditions of the program, including, but not limited to the principal residence requirement. The new owner's eligibility and entitlement shall be determined by the County in its sole discretion and must be requested by the owner within ninety (90) days of the death of the original borrower. Any applicable deed/affordability restrictions will be transferred to the new owner.

Additionally, a deed restriction or other legally sufficient document may be recorded with the Clerk of the Circuit Court to ensure the resale of the unit to a low or moderate income home buyer. The County is currently exploring other long term affordability options such as Community Land Trust and Shared Equity/Appreciation. Resale restrictions as stipulated in a Community Land Trust and/or Shared Equity Agreements will be incorporated when/where applicable and imposed during the restrictive period. The Shared Equity/Appreciation policy will require homeowners receiving down payment assistance to repay a portion of the equity/appreciation (less any applicable repayments) realized to the County when the property is sold at fair market

value during the term of the mortgage.

In the event of default on the First Mortgage, the County may exercise its right of first refusal to purchase the property or if possible, coordinate the purchase of the property with an approved buyer. If unsuccessful, and a foreclosure or deed in lieu of foreclosure of the first mortgage transpire, any collateral agreement by the County restricting the use of the property or restricting the owner's ability to sell the property shall have no further force or effect on subsequent owners of the property. Furthermore, if the first lender acquires title to the Property pursuant to a deed in lieu of foreclosure, the County's lien shall automatically terminate upon the first lender's acquisition of title. Any person, including his successors and assigns (other than the Borrower or a related entity or person to the Borrower), receiving title to the property through a foreclosure or deed in lieu of foreclosure of the first mortgage shall receive title to the property free and clear of the County's restrictions.

f. **Recipient Selection Criteria:**

1. Eligible applicants will be selected on a first come, first qualified, first served basis within the income group subject to funding availability.
2. To qualify for assistance, eligible program participants must meet the definition of a first time homebuyer. A first time home buyer is an applicant who has not owned a home within the three (3) years immediately preceding the SHIP assisted purchase. The only exception is a person who has lost a home due to a divorce; within the (3) three years preceding the SHIP assisted purchase.
3. The applicant must have completed a Homebuyer Education class approved by the County prior to receiving financial assistance.
4. The purchased property must meet all applicable building codes. Deficiencies must be corrected prior to, or as part of the purchase transaction. In the case of new construction, a Certificate of Occupancy (CO) is required prior to occupancy.
5. Very low income homebuyers must contribute a minimum of 2.5% and low and moderate buyers must contribute a minimum of 3% .

g. **Sponsor Selection Criteria:** N/A

- h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

B. Name of the Strategy: Homeownership Development

- a. **Summary of the Strategy:** This strategy will provide financial assistance to builders to encourage the development and construction of affordable housing. The escalating cost, and scarcity of land in Palm Beach County makes it extremely difficult for housing developers to build affordable housing units. SHIP funds may be used for site acquisition, site development, infrastructure improvements, impact fees, demolition costs, construction financing, and other construction related costs. The funding may be leveraged with land donated to the developer/non-profit and or density bonuses granted. The goal of this strategy is to increase the number of affordable owner housing units available to low income persons in Palm Beach County. This is achieved through the builder/developer reducing the cost of the home to the low income homebuyer by the amount of SHIP funds provided.
- b. **Fiscal Years Covered:** 2007/2008; 2008/2009; 2009/2010
- c. **Income Categories to be served:** Very Low, Low and Moderate Income.
- d. **Maximum Award:** The maximum award to the developer will be determined on a case by case basis subject to a funding review process. The maximum award to individual home owners as noted on the Housing Delivery Goals Charts is not automatically provided. The amount awarded is what's needed to purchase the property at a monthly payment affordable to the prospective homebuyer.
- e. **Terms, Recapture and Default:**
 - 1. The financial assistance to the developer will be secured with a mortgage and note that may require repayment at an interest rate of three percent (3%) with a maximum term of thirty years to preserve affordability.
 - 2. Assisted developments must commit to set aside a minimum number of units for low income households based on the amount of assistance provided. The housing must remain affordable, and all SHIP assisted units must be occupied by income eligible persons during the affordability period.
 - 3. For owner occupied units developed through this program, the County will develop a legally sufficient agreement maintaining affordability for a minimum period similar to the Purchase Assistance Program. Recapture and default provisions will also be similar to the Purchase Assistance Program.

A land use restriction agreement may be utilized to maintain affordability for a period of time.

- f. **Recipient Selection Criteria:**

1. The County will advertise the availability of funds. Proposed projects will be considered on an ongoing basis subject to funding availability basis. Eligible applicants will be awarded assistance on a first come, first qualified, first served basis until all available funds are allocated. All applications will be evaluated based upon a point scoring system. An application scoring the most points does not guarantee funding for the request. It is the goal of the County to provide funding for a variety of housing projects in a variety of locations. If staff deems a project not feasible, staff reserves the right to recommend no funding for that project and state the reason for such recommendation.
2. Selection criteria will also include quality of the proposed development, development costs, development team experience, housing affordability, financial stability, economic viability, successful history of producing similar projects, ability to produce affordable housing within the specified time frames and sensitivity to local housing needs. All SHIP assisted units must be affordable to very low, low and moderate income households.

Purchasers of the developed units must be very low, low, or moderate income, and occupy the property as their primary residence. Management of the development will select potential homebuyers for the SHIP assisted units on a first come, first qualified, first served, basis. Qualification criteria for SHIP recipients must meet all SHIP affordability and income guidelines for the income group. County staff will income-certify all homebuyers for the SHIP assisted units.

Eligible applicants must qualify as first time homebuyers and must receive a certificate of homebuyer counseling prior to loan closing.

- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

C. Name of the Strategy: HOME Match

- a. **Summary of the Strategy:** SHIP funds will be used to provide the local required dollar match for the federal HOME program. Under this strategy, the only initiative funded will be purchase assistance for first time homebuyers. Funds will be made available to first time homebuyers. Assistance will be based on the financing needs of the individual homebuyer up to the maximum amount of assistance available for the income group. Permanent first mortgage financing is required and provided through private sector financing institutions.
- b. **Fiscal Years Covered:** 2007/2008; 2008/2009; 2009/2010

- c. **Income Categories to be served:** Very Low, and Low
- d. **Maximum Award:** is noted on the Housing Delivery Goals Charts. The maximum award is not automatically provided. The amount awarded will be the amount needed to purchase the property at a monthly payment affordable to the prospective homebuyer. The maximum award may also be based on the maximum award stipulated by HOME program guidelines.
- e. **Terms, Recapture and Default.** Zero interest deferred payment loans secured by a mortgage and note will be for a term of thirty (30) years with zero interest. For owner occupied units developed through this program, the County will develop a legally sufficient agreement maintaining affordability for a minimum period similar to the Purchase Assistance Program. Recapture and default provisions will also be similar to the Purchase Assistance Program.
- f. **Recipient Selection Criteria:**
 1. Eligible applicants will be selected on a first come, first qualified, first served basis within the income groups subject to funding availability.
 2. Eligible program participants must meet the definition of a first time homebuyer. The only exception is a person who has lost a home due to a divorce; within the (3) three years preceding the SHIP assisted purchase.
 3. The applicant must have completed a Homebuyer Education class approved by the County prior to receiving financial assistance.
 4. The purchased property must meet all applicable building codes. Deficiencies must be corrected prior to, or as part of the purchase transaction. In the case of new construction, a Certificate of Occupancy (CO) is required prior to occupancy.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

Name of the Strategy: Housing Rehabilitation

- a. **Summary of the Strategy:** Home repair assistance will be provided to income-eligible owner-occupied applicants (structures of one to four dwelling units) for substantial rehabilitation and/or emergency repair of the home to correct code violations and stop additional deteriorations. Mobile homes will not be eligible for assistance. Eligible homes requiring rehabilitation will be renovated to meet the County's

applicable housing and building code standards. If the maximum award amount combined with other public or private dollars is not sufficient to bring a home up to County's building code standards, the home will not be eligible for assistance under this strategy. In the event the maximum award is insufficient to bring the home up to applicable building code standards, and the applicant is very-low income or elderly, the homeowner may be eligible for replacement housing. Eligible home repair include:

- **Emergency repairs:** Conditions that may be considered as an emergency are: Structural components that show signs of imminent collapse, damage caused by fire, broken water pipes, heating and water heating system failure, inoperable air conditioning system, water leaks in walls or foundation, sewer/sanitation failure, roof leaks causing electrical hazards, ceiling collapse or structural damage, inoperable exterior doors and or windows, preventing emergency egress, inoperable toilet or hot water heater, exposed bare wires or other imminent fire hazard, electrical failures, lead based paint, gas leaks and any other repairs threatening the life, health and safety of the resident which has been identified as being in violation of applicable building/housing codes
- **Roof Repairs and/or replacement:** complete repair or replacement of deteriorated roofing systems to eliminate substandard or unsafe roofing conditions.
- **General Home Repairs:** window replacement, door replacement, re-wiring, re-plumbing, kitchen and bathroom remodeling to reverse deterioration, a/c and heating system replacement, interior and exterior painting, floor covering replacement to replace deteriorated existing floor covering, insulation, repair cracked or hazardous driveways, termite treatment and repairs, room additions to alleviate overcrowded living conditions, and hurricane shutters installation (eligible item when included in overall repair project, and only if required by code or ordinance). This strategy may also allow for addressing unforeseen conditions of deterioration or other conditions discovered during a substantial rehabilitation project.
- Housing modifications and architectural barrier removal to improve accessibility for owner occupants and renter occupants who are elderly (62 years or older) and/or medically or physically disabled, or have family members who are medically or physically disabled. Barrier removal and home modification for both renter and owner housing include:
- Modification to widen doorways and hallways; installation of

accessible doors and hardware; kitchen, bathroom and bedroom modification to accommodate mobility; grab bars; entry ramps; railings; walkways; landings, non-slip floor surfaces; delayed closing mechanisms on egress and garage doors; accessible appliances; installation of accessible cabinets, shelves, drawers, sinks, toilets, roll in showers; removal of architectural barriers.

- Replacement Housing will provide gap financing to income eligible very low and low income elderly (62 years or older), medically or physically disabled homeowners residing in homes deemed not viable for rehabilitation. The goal of this strategy is to preserve the affordable housing stock of lower income households in Palm Beach County. Funds can be used for demolition of existing property, construction cost of a replacement home on the same lot or at a new location selected by the County, and purchase of an existing home.

b. **Fiscal Years Covered:** 2007/2008; 2008/2009; 2009/2010

c. **Income Categories to be served:** Very Low and Low Income.

d. **Maximum Award:** is noted on the Housing Delivery Goals Charts. The maximum award is not automatically provided. The amount awarded will be the amount needed to make all necessary repairs to bring the home up to applicable building code standards. Assistance for renter households for housing modification/architectural barrier removal may not exceed \$5,000 for all income groups.

applying
exceed \$5,000

e. **Terms, Recapture and Default:**

Emergency and general home repair funding in the amount of \$5,000 or less will be provided as an unsecured grant with no recapture or deferred payment provision. Assistance exceeding \$5,000 up to the maximum award will be in the form of a deferred payment zero (0) interest loan secured by a mortgage and note for a period of 30 years. No payments will be due as long as the home remains the primary residence of the applicant. If the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the applicant during the term of the loan, the entire amount of assistance provided will be due and payable

Barrier removal and other modification related repair funding for owner occupied households in the amount of \$5,000 or less will be provided as an unsecured grant with no recapture or deferred payment provision. Assistance in the amount of \$5,001 up to \$10,000 will be a deferred payment zero interest loan for a term of five (5) years secured by a note and mortgage. Assistance exceeding \$10,000 up to the maximum award will be in the form of a deferred payment zero interest loans for a term of ten (10) years secured

by a note and mortgage. The maximum award for renter occupied units will be \$5,000 with no recapture or deferred payment provision.

No payment is required as long as the home remains the primary residence of the applicant. If the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the applicant during the term of the mortgage, the entire amount of the loan shall become immediately due and payable. If the property is sold, title is transferred or conveyed to an income eligible buyer during the term of the mortgage, repayment may be waived if the new buyer accepts and agrees to the term and conditions of the mortgage including, but not limited to the primary residence requirement. The purchaser's eligibility will be determined by the County and must be requested by the owner prior to the sale of the property. Any applicable affordability restrictions will be transferred to the new owner.

In the event of death of the owner, recapture and default provisions will be similar to the Purchase Assistance Program provisions for income eligible heirs, and ineligible persons.

f. **Recipient Selection Criteria:**

The County will advertise the availability of funds. Eligible owner and renter applicants will be considered on an ongoing basis subject to funding. Applicants will be awarded assistance on a first come, first qualified, first served basis until all available funds are allocated.

Property owners seeking assistance in this program must meet the program requirements outlined in Palm Beach County's Department of Housing and Community Development's policies for the Property Rehabilitation Program for Single-Family Structures and the Emergency Rehabilitation Program. Waiting list priority may be given in the following circumstances:

1. Documented special needs (as defined by Chapter 67-37.002(13), F.A.C.) of eligible homeowner (or immediate household member) who faces immediate institutionalization without the rehabilitation to the home. If institutionalization is not imminent, the applicant will not receive priority.
2. Eligible homeowner who has suffered a catastrophic single event emergency (e.g. fire, localized weather damage, etc) that will cause imminent homelessness. If homelessness is not imminent, the applicant will not receive priority.
3. Other selection criteria are as follows:

- Applicant promises to pay all property taxes, insurance, utilities, existing mortgage payments and other assessments when due.
- Applicant promises to maintain property and not allow deterioration of mortgaged property.
- First time applicants will generally be given priority over previously assisted persons. Exceptions may be made for eligible property owners in cases where living conditions threaten the personal health and safety of the household.
- Property must be owner occupied.
- Verification of ownership and documented payment of property taxes must be provided.

g. **Sponsor Selection Criteria:** N/A

h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

E. Name of the Strategy: Foreclosure Prevention

- a. **Summary of the Strategy:** Funding will be provided to income eligible single family owner occupied households who are facing foreclosure, to preserve and maintain homeownership within the targeted income groups. The goal of this strategy is to avoid foreclosure by paying up to six (6) months delinquent mortgage payments (PITI), including late fees, attorney's fees, homeowners' association payments, special assessments and other foreclosure associated costs.
- b. **Fiscal Years Covered:** 2007/2008; 2008/2009; 2009/2010.
- c. **Income Categories to be served:** Very Low and Low Income
- d. **Maximum Award:** is noted on the Housing Delivery Goals Charts. The maximum award is not automatically provided. The amount awarded is what's needed to restore the mortgage to current status.
- e. **Terms, Recapture and Default:** Zero interest deferred payment loans secured by a mortgage and note will be for a term of thirty (30) years. No payment is required as long as the home remains the primary residence of the applicant. If the home is sold, title is transferred or conveyed to an eligible

buyer, recapture and default provisions will also be similar to the Purchase Assistance Program for income eligible buyers/heirs. In the event of death of the owner, recapture and default provisions will be similar to the Purchase Assistance Program provisions for income eligible heirs, and ineligible persons.

f. **Recipient Selection Criteria:**

- Income eligible applicants will be selected on a first-come, first qualified, first served basis subject to funding availability.
- Applicants must be very low or low income homeowners and the property must be owner occupied.
- The homeowner must demonstrate their ability to make future mortgage payments after assistance is received.
- The application process will include a review of the funding request and the cause of the delinquency. Applicant must prove that the delinquency is due to a significant change in family structure resulting in considerable loss of income, and/or unforeseen/unexpected/unanticipated home repairs.
- Participants can apply only once.
- Assessed or taxable value of the property , whichever is lower, may not exceed the established maximum sales price.

g. **Sponsor Selection Criteria:** N/A

h. **Additional Information:** SHIP funds may be leveraged with other private funding and local funding.

F. Name of the Strategy: Utility Connection/Impact Fee Payment Strategy

- a. **Summary of the Strategy:** Direct financial assistance will be provided to income eligible single family homeowners, for the payment of impact fees and/or sewer and water connection system fees charged by local governments for new municipal improvements.
- b. **Fiscal Years Covered:** 2007/2008; 2008/2009; 2009/2010.
- c. **Income Categories to be served:** Very Low and Low Income

- d. **Maximum Award:** is noted on the Housing Goals Delivery Chart.
- e. **Terms, Recapture and Default:** Zero interest deferred payment loans secured by a mortgage and note will be for a term of thirty (30) years. No payment is required as long as the home remains the primary residence of the applicant. If the home is sold, title is transferred or conveyed to an eligible or ineligible buyer, or the home ceases to be the primary residence of the applicant during the term of the mortgage, recapture and default provisions will be similar to the Purchase Assistance Program provisions for income eligible heirs, and ineligible persons.

In the event of death of the owner, recapture and default provisions will be similar to the Purchase Assistance Program provisions for income eligible heirs, and ineligible persons.
- f. **Recipient Selection Criteria:** Income eligible applicants will be assisted on a first-come, first qualified, first served basis subject to funding availability. The housing unit must be located within the urban service area of the County and the applicant must own and occupy the property as their primary residence. Applicants must be very low or low income to participate.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

G. Name of the Strategy: Disaster Mitigation

- a. **Summary of the Strategy:** Financial assistance will be provided to income eligible households following a natural disaster as declared by the President of the United States, Governor of the State of Florida, or by the Board of County Commissioners. This strategy will only be implemented in the event of a natural disaster using any funds that have not yet been encumbered and/or additional disaster funds issued by the Florida Housing Finance Corporation. When necessary, SHIP funds may be used for items such as, but not limited to:
 1. purchase of emergency supplies for eligible households to weatherproof damaged homes;
 2. interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable;
 3. construction of wells or repair of existing wells where public water is not available;

4. payment of insurance deductibles for rehabilitation of homes covered under homeowner insurance and homeowner association policies;
 5. security deposits and rental assistance for eligible recipients displaced from their homes due to damage caused by the natural disaster;
 6. repair/replace/reconstruct/retrofit eligible single family owner-occupied units (structures of one to four dwelling units) for the purpose of upgrading damaged substandard properties to correct code violations and prevent additional deterioration;
 7. repair eligible rental units for the purpose of upgrading damaged substandard properties to correct code violations and prevent additional deterioration;
 8. payment for rehabilitation of homes with non-insured repairs;
 9. other activities as proposed by Palm Beach County and approved by Florida Housing Finance Corporation.
- a. **Years Covered:** 2007/2008; 2008/2009; 2009/2010
 - b. **Income Categories to be served:** Very Low, Low, and Moderate income
 - c. **Maximum Award:** is noted on the Housing Goals Delivery Chart
 - d. **Terms, Recapture and Default:** Funding in the amount of \$5,000 or less will be provided in the form of an unsecured grant with no recapture or deferred payment provision. Assistance of \$5,001 up to \$20,000 to homeowners will be a deferred payment zero interest loan for a term of ten (10) years secured by a note and mortgage. Assistance exceeding \$20,000 up to the maximum award will be a deferred payment interest loan for a term of 30 years, secured by a note and mortgage.

No payment is required as long as the home remains the primary residence of the applicant. If the home is sold, title is transferred or conveyed to an ineligible buyer, or the home ceases to be the primary residence of the applicant during the term of the mortgage, the entire amount of the loan shall become due and payable immediately. If the property is sold, title is transferred or conveyed to an income eligible buyer during the term of the mortgage, repayment may be waived if the new buyer accepts and agrees to the term and conditions of the mortgage, including, but not limited to the primary residence requirement. The purchaser's eligibility will be determined by the County and must be requested by the owner prior to the sale of the

property. Any applicable affordability restrictions will be transferred to the new owner. Other recapture and default provisions will also be similar to the Purchase Assistance Program. In the event of death of the owner, recapture and default provisions will be similar to the Purchase Assistance Program provisions for income eligible heirs, and ineligible persons.

Financial assistance to rental owners will be secured with a mortgage and note that will require repayment at an interest rate of three percent (3%) for a term of fifteen (15) years.

- f. **Recipient Selection Criteria:** Income eligible renter and owner occupied households will be assisted on a first-come, first qualified, first served basis subject to funding availability. The housing unit must be located within the urban service area of the County and the applicant must own and occupy the property as their primary residence.
- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

H. Name of Strategy: Multifamily Rental Development

- a. **Summary of Strategy:** This strategy will provide assistance to developers of affordable rental housing serving low income households. The goal of this strategy is to increase the number of affordable rental housing units available to income eligible persons in Palm Beach County. SHIP funds may be used for site acquisition, site development, rehabilitation, infrastructure improvements, impact fees or construction related costs. SHIP funds may not be used to pay rental subsidies. All SHIP assisted units must be occupied by income eligible families.
- b. **State Fiscal Years:** 2007/2008; 2008/2009; 2009/2010.
- c. **Income Categories to be served:** Very Low and Low Income
- d. **Maximum Award** is noted on the Housing Goals Delivery Chart.
- e. **Terms, Recapture and Default:** The financial assistance will be secured with a mortgage and note that will require repayment at an interest rate of three percent (3%) with a minimum term of fifteen (15) years and a maximum term of thirty (30) years to preserve affordability. Assisted developments must commit to rent limits as established by HUD for the term of the mortgage and all other stipulations of the loan agreement. The housing must remain affordable, and all SHIP assisted units must be occupied by income eligible persons during the

affordability period. If the project ceases to remain affordable for the term of the loan, the entire unpaid balance is due and payable.

- f. **Applicant Selection Criteria:** The County will advertise the availability of funds. Sponsors of affordable rental developments will be selected through an RFP and review process based upon a point scoring system. The applications will be scored for comparison to other similar projects and funding recommendations. Applications must score a minimum of fifty percent (50%) of total available points to be reviewed for funding. Applications scoring less than fifty percent will be disqualified. An application scoring the most points does not guarantee funding for the request. It is the goal of the County to provide funding for a variety of housing projects in a variety of locations .If staff deems a project not feasible, staff reserves the right to recommend no funding for that project and state the reason for such recommendation

Selection criteria will further include quality of the proposed development, operational costs, development team experience, housing affordability, economic viability and sensitivity to local housing needs .

Management of the development will select and place income eligible persons into the SHIP assisted units on a first come, first qualified, first served basis. Qualification criteria for SHIP recipients must meet all SHIP affordability and income guidelines for the income group. The County will be responsible for monitoring the project annually for compliance with tenant income and affordability requirements. Preference will be given to sponsors who hire employees through local WAGES and Workforce Development initiatives.

- g. **Sponsor Selection Criteria:** N/A
- h. **Additional Information:** Other state, federal, private and local funds may be leveraged with SHIP funds.

III. LHAP INCENTIVE STRATEGIES

Section 420.9071(16), F.S.

A. Name of the Strategy: Expedited Permitting:

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 procedures:** To facilitate this strategy, the County

restructured its development process by reducing the number of review boards and created a single Development Review Committee. The Manager of the Planning Division of the Planning, Zoning & Building Department (PZ&B) and Engineering designated a staff person to be responsible for processing and facilitating affordable housing projects through the review process. The emphasis is on reducing processing time. This staff person is the developer's point of contact for all questions concerning the review process and follows any affordable housing application through the process. All permit applications that have been determined to be affordable housing is given priority. This strategy is implemented through the Building Planning and Zoning Department and is functioning as intended.

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.

- a. Established policy and procedures: An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption. The Director of the Zoning Division of Planning Zoning & Building Department (PZ&B) and the County Engineer or his/her designee will review all proposed County ordinances to determine the outcome, if any, on the cost of housing. When it is determined that an impact exist, a cost analysis is prepared by appropriate staff. This strategy has been implemented and is functioning as intended

IV. EXHIBITS:

A. Administrative Budget for each fiscal year covered in the Plan. Exhibit A.

- B. Timeline for Encumbrance and Expenditure:** *Chapter 67-37.005(6)(d) and (f) 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.

- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan:** *Chapter 67-37.005), F.A.C.*
Completed HDGC for each fiscal year is attached as Exhibit C.

- D. Certification Page:** *Chapter 67-37.005(7), F.A.C.*
Signed Certification is attached as Exhibit D.

- E. Adopting Resolution:** *Section 420.9072(2)(b)2, F.S.*
Original signed, dated, witnessed or attested adopting resolution is attached as Exhibit E.

- F. Program Information Sheet:**
Completed program information sheet is attached as **Exhibit F.**
- G. Ordinance:** *Section 420.9072(3)(a), F.S.*
If changed from the original ordinance, a copy is attached as **N/A.**
- H. Interlocal Agreement:** *Section 420.9072, F.S.*
A copy of the Interlocal Agreement if applicable is attached as **N/A.**