

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	September 22, 2015	[X] Consent	[] Regular
		[] Ordinance	[] Public Hearing

Department:	Department of Economic Sustainability
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I. EXECUTIVE BRIEF



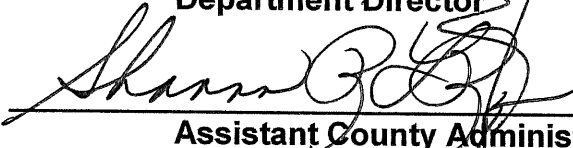
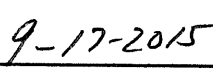
Motion and Title: Staff recommends motion to approve: revisions to the Three (3) Year Local Housing Assistance Plans for Fiscal Years 2014, 2015, and 2016 (LHAP) as required by the State Housing Initiatives Partnership (SHIP) Program Act, Subsections 420.907-420.9079, Florida Statutes, and Rule Chapter 67-37, Florida Administrative Code; and authorizing the submission of the revised Local Housing Assistance Plan for review and approval by the Florida Housing Finance Corporation (FHFC).

Summary: The LHAP was approved by the Board of County Commissioners (BCC) on April 16, 2013 (R2013-0488) and allocated a total of \$11,372,887 over the three (3) year period. On June 18, 2015, the Department of Economic Sustainability was advised by FHFC that the LHAP needed revisions to incorporate new State regulations. The proposed revisions include two (2) newly approved housing strategies: the Roof Replacement/Repair Program and the Veterans Home Ownership and Preservation Program as approved by the BCC on October 21, 2014 (Agenda Item 31-1) and December 16, 2014 (R2014-1924), respectively. Other revisions include an increased Emergency Repair maximum amount from \$20,000 to \$38,000 due to increased construction costs, inclusion of project delivery costs, and a 20% contingency set aside for repair projects to be held until project completion. The LHAP's housing strategies must coincide with the expenditures for the years reported and are required by FHFC to complete the SHIP Annual Closeout Reports. Funds allocated and generated through the SHIP Program will implement various affordable housing programs and related activities. The SHIP regulations require that at least sixty-five percent (65%) of a local jurisdiction's allocation be earmarked toward homeownership activities. These are State SHIP funds which require no local match. (MHI) Countywide (JB)

Background and Justification: On May 18, 1993, the BCC adopted its Affordable Housing Ordinance No. 93-8 (as amended) pursuant to the SHIP regulations outlined by the FHFC. Per the current SHIP regulations, a local government's LHAP can be established for a three (3) year period and can be amended as necessary. The LHAP establishes how Palm Beach County will utilize its SHIP allocations for the fiscal years identified in the Plan.

Attachment:

1. Revised LHAP for Fiscal Years 2014-2016 in Underline and ~~Strikethrough~~ format

Recommended By:		
	Department Director	Date
Approved By:		
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	* 0				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No _____

Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

*** No Fiscal Impact**

C. Departmental Fiscal Review:


Shairrette Major, Fiscal Manager II

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

Sheng Bao
OFMB 40 711 30 411
9/11 9/11

Dr. S. Jacob 9/14/15
Contract Development and Control

B. Legal Sufficiency:

James Brubaker 7/16/15
Assistant County Attorney

C. Other Department Review:

Department Director

PALM BEACH COUNTY

**State Housing Initiatives Partnership
(S.H.I.P.) Program**

**LOCAL HOUSING ASSISTANCE PLAN
(LHAP)**

**Fiscal Years
2013/2014, 2014/2015, 2015/2016
REVISED SEPTEMBER 22, 2015**



Department of Economic Sustainability
100 Australian Avenue
West Palm Beach, FL 33406

TABLE OF CONTENTS

<u>Title</u>	<u>Page Numbers</u>
Section I.	
General Program Description:	3 – 6
Section II.	
LHAP Strategies	6 – 33
Section III.	
LHAP Incentive Strategies	33 – 35
Section IV.	
Exhibits:	
A. Administrative Budget	
B. Timeline for Estimated Encumbrance and Expenditure	
C. Housing Delivery Goals Charts (HDGC)	
D. Certification to Florida Housing Finance Corporation	
E. Resolution Approving Local Housing Assistance Plan	
F. Program Information Sheet	

I. GENERAL PROGRAM DESCRIPTION

A. Name of the participating local government and Interlocal if Applicable:

Palm Beach County

Interlocal: Yes _____ No X

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

N/A

B. Purpose of the program:

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: 2013/2014, 2014/2015 and 2015/2016

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 all 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 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. 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.

J. 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 and Transportation.

K. 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 described above.

The methodology used is:

 X 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:

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development (HUD) and posted at www.floridahousing.org.

Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

M. Welfare Transition Program:

Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.

N. Monitoring and First Right of Refusal:

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 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.

O. Administrative Budget:

A line-item budget of proposed Administrative Expenditures are attached as Exhibit A. Palm Beach 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, defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.”

The applicable local jurisdiction has adopted the above finds in the resolution attached as Exhibit E.

Program income and recaptured funds and expenditures will be tracked monthly through an established tracking mechanism prepared by the fiscal division. All relevant departments will reconcile quarterly.

Palm Beach County defines program/project delivery costs and uses 24 CFR 92.206(d) to identify these costs associated with the undertaking of a project that is neither administration costs nor a direct subsidy to an eligible household. These cost include but are not limited to Architectural, engineering, inspections, work write-ups, specifications, contractor procurement, payments and oversight, relocation costs, costs to process and settle the financing for a project and the like.

The Board of County Commissioners adopted resolution #2013-0487, to incorporate Program/Project Delivery Costs. **Exhibit E.**

P. Program Administration:

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

Q. Essential Services Personnel:

“Essential Services Personnel” means persons whose household incomes do not exceed 140% of AMI, as determined annually by the Florida Housing Finance Corporation and adjusted for family size, and shall include: teachers and educators; other school district, community college, and university employees; police and fire personnel; health care personnel; housing related professionals and employees; skilled building trade industry personnel; Federal, State, County, and local government personnel; and may also include utility system (water/sewer, electrical, communication, etc.) personnel; information technology industry personnel; child care personnel; personal service providers; retail workers; wholesale/warehouse personnel; tourism industry personnel; biotechnology industry personnel; non-profit personnel; food service personnel; landscaping industry personnel; cosmetology service providers; facility maintenance personnel; automotive service personnel; marine services personnel; persons employed in local “business clusters” as identified by the Business Development Board of Palm Beach County; the occupations in demand with the most employees and the occupations in demand gaining the most new jobs according to the Agency for Workforce Innovation (AWI); and personnel in other industries deemed essential by Palm Beach County government based on the local economy. Palm Beach County will review and possibly revise this definition of essential service workers on an annual basis to conform with local economic and industry trends.

R. Green Building/Innovative Design:

Palm Beach County will encourage all new construction or substantial rehabilitation to incorporate green building, also known as a sustainable building that is a structure designed, built, renovated, operated, or reused in an ecological and resource-efficient manner. Builders will be required to meet the requirements of 110-120 mph wind load for new construction and rehabilitation of existing properties and incorporate wind and solar powered energy consumption where practical.

II. LHAP STRATEGIES

A.

PURCHASING ASSISTANCE WITH/WITHOUT REHABILITATION	CODES: 1/2
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- a. **Summary of the Strategy:** Funding will be available to income eligible first-time homebuyers for purchase assistance with or without rehabilitation or new construction. SHIP funds will be used 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 costs. Funds awarded will be the amount required to assist the homebuyer to qualify for the first mortgage, and will be based on the financing capacity of the individual homebuyer(s) up to the maximum amount of assistance available for the income group. Permanent first mortgage financing can be provided by PBC, private sector financing institutions, other non-profit agency, or another government entity. If rehabilitation is necessary, a 20 percent (20%) contingency amount shall be set-aside from the maximum allowable award, until the project is completed and a certificate of completion (or CO) is issued. Total funding, including contingency amount shall not exceed the maximum allowable award.
- SHIP funds will not be utilized for the purchase of mobile homes.
- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** Very Low \$105,000, Low \$70,000 and Moderate \$55,000. Up to \$5,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost as follows: Up to \$5,000 for assistance with rehabilitation, and up to \$3,000 for assistance without rehabilitation.
- e. **Terms, Recapture and Default:** Assistance will be in the form of a thirty (30) year, 0% interest, deferred payment loan secured by a mortgage and note. Payment in full is due if the property is sold within the 30-year term. If sold after the 30-year term, no repayment is required, and the mortgage and note will be forgivable and satisfied.

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 appraised current market value or the current Automated Valuation Model, for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

In the event of the death of the borrower prior to the end of the term of the mortgage, the outstanding balance becomes 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 will be recorded with the Clerk of the Circuit Court to ensure the resale of the unit to a low or moderate-income homebuyer. The County has included among other long-term affordability options Community Land Trust and may utilize Shared Equity/Appreciation models. Resale restrictions as stipulated in a Community Land Trust are incorporated when/where applicable and imposed during the restrictive period. The proposed Shared Equity/Appreciation policy will require homeowners receiving down payment assistance to repay ~~50% a portion (20% to 70% of net profit depending on year sold after purchase)~~ 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 transpires, 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. Should the County possess first lien position as the first lender, the property will be resold to an eligible household on a first come, first qualified, first approved basis based upon creditworthiness and other applicable affordability guidelines.

f. **Recipient Selection Criteria**

1. Eligible applicants will be selected on a ~~first come~~, first qualified, first served, ~~first approved~~ basis within the income group subject to funding availability.
2. Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
3. To qualify for assistance, eligible program participants must meet the definition of a first time homebuyer. A first time homebuyer 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 and/or domestic violence as defined in Florida §741.28.
4. All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.
5. The applicant must enroll and complete an eight (8) hour Homebuyer Counseling Program through a HUD approved counseling agency. Certifications are good for one year; re-certifications are required if the borrower(s) have not presented a fully executed purchase contract prior to

income certification expiration.

6. 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.
7. Very low-income homebuyers must contribute a minimum of 2.5% of the sales price ~~and plus~~ repairs, and low and moderate buyers must contribute a minimum of 3.5% of the sales price ~~and plus~~ repair cost. Buyers' contribution must be their own funds. Gift funds may be used above the required minimum contribution, but cannot serve as a substitution. The source of the applicants contribution must be sourced; alternative savings may be used if the buyer has exhibited a pattern of saving in a like manner and/or is consistent with cultural norms i.e. pooled money (su-su) or cash on-hand (mattress money).

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

h. **Additional Information:**

- Other state, federal, private and local funds may be leveraged with SHIP funds. But, where the County's SHIP subsidy is equal to the first mortgage, the County must share first lien position with the first mortgage lender. However, where the County's SHIP subsidy is larger than the first mortgage, then the County must be in first lien position. Also, where the County's SHIP subsidy is larger than another subsidy, the County must be placed in a superior lien position to any smaller subsidy.
- Property Selection: Funds can only be used to purchase residential properties (*excluding mobile homes and condominiums*) that are located within the County's delineated Eligible Areas of funding; the funding source shall govern property selection eligibility.
- Failed Property: Homebuyers will receive a credit paid out for closing (POC) costs for failed transactions.
- Loss of prior subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of its investment on a previously assisted household (i.e. foreclosures, deed in lieu, short sales).
- Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan. The term delinquent shall mean a loan payment received after the due date, repeated late fees or past thirty days. The term default shall mean a loan payment that has not been received for four (4) consecutive months or greater.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made for foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
- No more than 30 percent of the purchase price ~~subsidy~~ for down payment and closing costs (includes taxes & insurance escrow):
 - Mandatory repair subsidy holdback for major systems from subsidy awards;
 - No aesthetic repairs noted in the Housing Quality Standard (HQS) inspection (code 3)
- If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for purchase assistance.
- Applicant may not currently own or have assets exceeding \$200,000

(monetary gifts and real estate excluding applicant’s primary residence are included in the asset calculation.

B.

HOME MATCH	CODES: 1/2
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- a. **Summary of the Strategy:** 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. 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. A 20 percent (20%) contingency amount shall be set-aside from the maximum allowable award, until the project is completed and a certificate of completion (or CO) is issued. Total funding, including contingency amount shall not exceed the maximum allowable award.
- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low and Low
- d. **Maximum Award:** Very Low \$78,000, Low \$68,000. Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- e. **Terms, Recapture and Default:** The County will develop a legally sufficient agreement maintaining continued affordability for a term not to exceed minimum period of 30 years. The Recapture and default provisions require 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 new owner prior to the sale of the property. All 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 becomes 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 new owner within ninety (90) days of the death of the original borrower. All applicable deed/affordability restrictions will be transferred to the new owner.

Additionally, a deed restriction or other legally sufficient document will 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 a Community Land Trust and Shared Equity/Appreciation policies. 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 50% a portion (20% to 75% of net excess profit depending on year sold after purchase) 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 a deed in lieu of foreclosure of the first mortgage transpires, 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, ~~first approved~~ basis within the income groups subject to funding availability.
2. Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
3. All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.
4. 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.
5. The applicant must enroll and complete an eight (8) hour Homebuyer Counseling Program through a HUD approved counseling agency. Certifications are good for one year; re-certifications are required if the borrower(s) have not presented a fully executed purchase contract prior to income certification expiration.
6. 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.
7. Very low-income homebuyers must contribute a minimum of 2.5% of the sales price and repairs, and low and moderate buyers must contribute a minimum of 3.5% of the sales price and repair. Buyers' contribution must be their own funds. Gift funds may be used above the required minimum contribution, but cannot serve as a substitution. The source of the applicants contribution must be sourced; alternative savings may be used if the buyer has exhibited a pattern of saving in a like manner and/or is consistent with cultural norms i.e. pooled money (su-su) or cash on-hand (mattress money).

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

h. **Additional Information:**

- Other state, federal, private and local funds may be leveraged with SHIP

funds.

- Property Selection: Funds can only be used to purchase residential properties (*excluding mobile homes and condominiums*) that are located within the County's delineated Eligible Areas of funding; the funding source shall govern property selection eligibility.
- Failed Property: Homebuyers will receive a credit paid out for closing (POC) costs for failed transactions.
- Loss of subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of its investment on a previously assisted household.
- Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
- No more than 30 percent subsidy for down payment and closing costs (includes taxes & insurance escrow):
 - Mandatory repair subsidy holdback for major systems from subsidy awards;
 - No aesthetic repairs noted in the Housing Quality Standard (HQS) inspection (code 3)
- If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for purchase assistance.
- Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant's primary residence are included in the asset calculation.

C.

FIRST MORTGAGE LOAN ASSISTANCE PROGRAM		CODES: 1/2
a.	<u>Summary of the Strategy:</u> This strategy will provide first mortgage loan assistance to individuals and households earning up to 140% of the area median income. Funds will be used with the goal of expanding homeownership opportunities to targeted income groups. Maximum loan amounts are based upon established affordability guidelines and creditworthiness, based upon established underwriting guidelines. Purchase price cannot exceed 90% of Federal Housing Administration (FHA) median sales price. <u>A 20 percent (20%) contingency amount shall be set-aside from the maximum allowable award, until the project is completed and a certificate of completion (or CO) is issued. Total funding, including contingency amount shall not exceed the maximum allowable award.</u>	
b.	<u>Fiscal Years Covered:</u> 2013-2014, 2014-2015 and 2015-2016	
c.	<u>Income Categories to be served:</u> Very Low, Low and Moderate	
d.	<u>Maximum Award:</u> \$220,000 or 90% of median sales price (sales price cannot exceed 90% of median sales prices after rehabilitation). <u>Up to \$5,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.</u>	
e.	<u>Terms, Recapture and Default:</u> Acquisition and acquisition with Rehabilitation FML are 30-year fixed and interest rates are based upon the average 30-year fixed loan rate published on the first Saturday of the month in a newspaper of general	

circulation, plus .50 basis points. Interest rates are established on the first business day of the month and shall remain in effect until the next month. Borrowers that have not closed shall receive the prevailing interest rate or the rate at time of conditional loan approval whichever is less.

1. SHIP funded projects will utilize a direct loan with a mortgage term of 30 years. The mortgage balance at the time the property is sold, leased or rented, title is transferred, gifted or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Mortgagor is divested of the title by judicial sale, levy or other proceedings, become immediately due and payable. The home must remain the Mortgagor's principal residence over the life the loan, unless the remaining balance is paid-in-full. The financing provided will be secured by a recorded mortgage and subject to recapture.
2. Default on the loan occurs if the Mortgagor fails to make the required monthly payment to include a principal and interest payment plus escrow payment and the annual property tax assessment for homeowner's, flood and windstorm insurance, as applicable.
3. In the event of the death of the Mortgagor prior to the end of the mortgage, the outstanding, balance shall become immediately due and payable.

f. **Recipient Selection Criteria:**

1. Eligible applicants are selected on a ~~first come~~, first qualified, and first served, ~~first approved~~ basis, with the targeted income groups subject to funding availability.
2. Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician)
3. All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.
4. An income eligible household may not have liquid assets that exceed \$50,000. Liquid Assets are defined as any cash or cash equivalent that can be immediately converted into cash at an established rate or value. Cash equivalents include savings bonds and other bond investments; corporate stock and stock futures; mutual bonds; retirement accounts; and any other investment security or note.
5. The applicant cannot own other residential properties.
6. The applicant must enroll and complete an eight (8) hour Homebuyer Counseling Program through a HUD approved counseling agency. Certifications are good for one year; re-certifications are required if the borrower(s) have not presented a fully executed purchase contract prior to income certification expiration.
7. 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 is required before the home can be occupied.
8. Ratios: Housing Ratio 31% and Overall Ratio 43%; higher ratios with compensating factors at the discretion of the Department Director may be permitted, not to exceed 45% total DTI (debt to income).

9. FICO Credit Score: Middle FICO Score must be 630, if less than three scores the lowest score must be at least 630, if no score or lower than 630 the borrower is deemed ineligible for first mortgage financing, but may utilize second mortgage financing.

10. Very low income homebuyers (50% or below area median income) must contribute a minimum downpayment of 2.5% of the total purchase price and the cost of rehabilitation. All other closing costs may be financed.

Low and moderate income homebuyers, (between 51% and 140% of area median income) must contribute a minimum downpayment of 3.5% of the total purchase price and cost of rehabilitation.

Buyers' contribution must be their own funds. Gift funds may be used above the required minimum contribution, but cannot serve as a substitution. The source of the applicants contribution must be sourced; alternative savings may be used if the buyer has exhibited a pattern of saving in a like manner and/or is consistent with cultural norms i.e. pooled money (su-su) or cash on-hand (mattress money).

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

h. **Additional Information:**

1. Mandatory Escrows: Escrow accounts are required for all County assisted mortgages. Escrows include real estate property taxes, homeowners insurance, and flood/windstorm insurance (if applicable).
2. Insurance: Homeowner's insurance coverage for all properties assisted is required. Coverage must be sufficient to cover all encumbrances placed against the property or be equal to replacement value. Dwellings that are unable to secure homeowners insurance due to extensive rehabilitation are required to obtain Builder's Risk insurance prior to work commencement; the policy must be in full force during the rehabilitation phase. Insurance must be paid on or before closing (financial award).
3. Rehabilitation Standards: Eligible homes requiring rehabilitation shall only be renovated to upgrade the property to ensure compliance with applicable municipal, county and state housing and building standards to the extent that the repairs performed are practical and feasible.
4. Property Selection: Funds can only be used to purchase residential properties (*excluding mobile homes and condominiums*) that are located within the County's delineated Eligible Areas of funding; the funding source shall govern property selection eligibility.
6. Failed Property: Homebuyers will receive a credit of paid out of closing (POC) costs for failed transactions.
7. Losses: Subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of its investment on a previously assisted household.
8. Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan.
9. Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
10. If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for purchase assistance.

11. Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant’s primary residence are included in the asset calculation).

D.

HOUSING REHABILITATION/BARRIER FREE	CODE: 3
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- a. **Summary of the Strategy:** Funding will assist income-eligible owner-occupied applicants (structure of one to four dwelling units) with substantial rehabilitation to correct code violations or incipient items that will become a code violation. Eligible homes requiring rehabilitation will be renovated to meet the County’s applicable building code standards. If the maximum SHIP award 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. A 20 percent (20%) contingency amount shall be set-aside from the maximum allowable award, until the project is completed and a certificate of completion (or CO) is issued. Total funding, including contingency amount shall not exceed the maximum allowable award.

Additionally, Homeowner and Condominium Associations are eligible to apply for assistance to install elevators and lifts for SHIP eligible applicants. This assistance will only be provided to those Homeowner and Condominium Associations where at least 51% of the homeowners (*in that particular building*) are either lower income or elderly (*62 years of age or older*). Assistance will also be provided to qualified sponsors of rental housing who serve extremely low, very low, and low income elderly (*62 years or older*) and disabled households. Eligible activities include construction, rehabilitation, code compliance accessibility and energy efficiency improvements, for people with disabilities and those who are elderly (*62 years or older*).

Eligible home repairs: include but are not limited to:

- **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 who are elderly (62 years or older) and/or persons with disabilities, or have family members who is a person with disabilities. Barrier removal and home modification for owner occupied 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.

- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016

- c. **Income Categories to be served:** Extremely Low, Very Low, Low and Moderate
- d. **Maximum Award:** Very Low \$80,000, Low \$65,000, and Moderate \$50,000. Up to \$5,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- e. **Terms, Recapture and Default:** Funding will be provided in the form of a forgivable deferred payment zero (0) percent interest loan, for up to 15 years, based upon the total amount SHIP assistance.

Funding Award Amounts	Lien	Amortization Period
\$0 - \$15,000	5 years	Secured by Mortgage and Note without amortization or deed restriction
\$15,001 - \$45,000	10 years Affordability	Secured by Mortgage and Note with amortization, reducing principal amount owed by 10% annually or deed restriction.
\$45,001 - \$80,000+	15 years Affordability	Secured by Mortgage and Note with amortization, reducing principal amount owed by 10% annually or deed restriction.

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 (voluntarily or involuntarily), 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 the death of the owner prior to the end of the term of the mortgage, the outstanding balance becomes 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, 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 or deed restriction. 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 or deed restriction.

f. **Recipient Selection Criteria:**

- The County will advertise the availability of funds. Eligible owner occupied

applicants will be considered on an ongoing basis subject to funding. Applicants will be awarded assistance on a ~~first come~~, first qualified, first served, ~~first approved~~ basis until all available funds are allocated.

- Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
- Property owners seeking assistance in this program must meet the program requirements outlined in Palm Beach County's Department of Economic Sustainability's policies for the Property Rehabilitation Program for Single-Family Structures.
- 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.
- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

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

h. **Additional Information:**

- Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant's primary residence are included in the asset calculation).
- The residence must be owner occupied with a maximum that does not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located.
- Mortgage payments and taxes must be current / paid up to date.
- Applicants must provide proof of current homeowners insurance.
- In the event that the homeowner does not have an existing homeowner's insurance policy; this program may incorporate the payment of a one (1) year insurance premium showing Palm Beach County as an additional insured. Future payments are the sole responsibility of the homeowner(s)
- SHIP funds may be combined with SAIL, CDBG, HOME, and/or NSP funds, or other funding where needed.
- When SHIP funds are combined with SAIL, CDBG, HOME, or NSP funds, any SHIP loan repayment proceeds will be prorated and deposited into a separate Housing Trust Fund account as required.

- Rehabilitation/repairs will be performed by a State certified licensed contractor licensed to do business in Palm Beach County. The home owner must utilize the contractors within Palm Beach County’s Facilities and Operations’ Residential Repair Program or contractors from the Department of Economic Sustainability’s approval contractor’s list.
- Eligible repairs for barrier removal modifications include: ADA/UFAS compliant repairs, installations and modifications (*for things such as widening of doors, and installation of accessible doors and hardware*), widen halls, kitchens, bathrooms and bedrooms to accommodate mobility aides (*canes, walkers, wheelchairs and scooters*), Energy Star rated products should be used whenever available, installation of grab bars, entry ramps, railings, walkways landings, and elevators/lifts. Installation and repair of light switches, electrical outlets, thermostats and other environmental controls in accessible locations. Installation of non-slip floor surfaces throughout the home, installation of lever hardware, delayed opening and closing mechanism on egress and garage doors, improved lighting, accessible appliances which include but not limited to front or touch-type controls, installation of accessible cabinets, shelves, drawers, sinks, toilets, kitchen and bathroom, installation and provision of assisted technology products to increase accessibility in the home (*shower chair, hand accessible touch-type light switches and thermostats, hand held shower, non-slip surfaces roll-in with or without curb shower*), alternative communication devices, hurricane impact windows and doors, accommodations for service or companion animals, roof repairs and/or replacement, complete repair or replacement of deteriorated roofing systems to eliminate substandard or unsafe roofing conditions, window repair, replacement and weather-stripping, re-wiring, re-plumbing, termite treatment and repair, interior wall repairs and painting, a/c and heating systems repair or replacement and repair cracked or hazardous driveway and/or sidewalks, replacement of non-operational appliances as determined by a County inspector, upgrades and warranties costs shall be the responsibility of the homeowner.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
- Losses: Subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of this investment on a previously assisted household.
- Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan.
- If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for rehabilitation.

E.

EMERGENCY REPAIRS	CODE: 6
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- a. **Summary of the Strategy:** Funding will provide financial assistance to income eligible owner occupied applicants to address emergency conditions such as roofing, electrical, plumbing, or structural repairs.

Eligible emergency repairs: include but are not limited to: Conditions that must 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, inoperative 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. A 20 percent contingency of the contract cost shall be set-aside until the project is completed and a certificate (or CO) of completion is issued. Total funding, including contingency amount shall not exceed the maximum allowable award.

- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Extremely Low, Very Low, Low and Moderate
- d. **Maximum Award:** \$20,000 ~~\$38,000~~. Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- e. **Terms, Recapture, and Default:** ~~Funding is provide in the form of an unsecured grant with no recapture or deferred payment provision. Funding will be provided in the form of a forgivable deferred payment zero (0) percent interest loan, for up to five (5) years, based upon the total amount SHIP assistance.~~

Funding Award Amounts	Lien	Amortization Period
\$0 - \$23,000	0 years	<u>Unsecured grant with no recapture or deferred payment provision</u>
\$23,001 - \$38,000	5 years <u>Affordability</u>	<u>Secured by Mortgage and Note without amortization or deed restriction</u>

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 (voluntarily or involuntarily), 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 occupied 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.
 - Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
 - Property owners seeking assistance in this program must meet the program requirements outlined in Palm Beach County's Department of Economic Sustainability's policies for the Property Rehabilitation Program for Single—

Family Structures and the Emergency Rehabilitation Program.

- 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.
- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

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

h. **Additional Information:**

- Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant's primary residence are included in the asset calculation).
- The residence must be owner occupied with a maximum that does not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located.
- Mortgage payments and taxes must be current / paid up to date.
- Applicants must provide proof of current homeowners insurance.
- In the event that the homeowner does not have an existing homeowner's insurance policy; this program may incorporate the payment of a one (1) year insurance premium showing Palm Beach County as an additional insured. Future payments are the sole responsibility of the homeowner(s)
- SHIP funds may be combined with SAIL, CDBG, HOME and/or NSP funds where needed.
- When SHIP funds are combined with SAIL, CDBG, HOME, or NSP funds, any SHIP loan repayment proceeds will be prorated and deposited into a separate Housing Trust Fund account as required.
- Emergency repairs will be performed by a State certified licensed contractor licensed to do business in Palm Beach County. The home owner must utilize the contractors within Palm Beach County's Facilities and Operations' Residential Repair Program or contractors from the Department of Economic Sustainability's approval contractor's list.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
- Losses: Subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of this investment on a previously assisted household.

- Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan.
- If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for assistance.

F.

<u>ROOF REPAIR/REPLACEMENT</u>	<u>CODE: 6</u>
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- a. **Summary of the Strategy:** Funding will provide financial assistance to income-eligible owner-occupied applicants to exclusively address emergency conditions for roof repair or replacement. This program will also provide financial assistance to eligible occupants-homeowners who are at-risk of homeowners’ insurance policy cancellation or who have received notice of homeowners’ insurance policy non-renewal for their sub-standard/deficient roofs. Award amounts are based upon the costs associated with the type of roof. Roofs will be replaced or repaired consistent with original construction and current code standards. In instances where the subject property is governed by an HOA the roof will adhere to the established written requirements of the development. A 20 percent (20%) contingency amount above the contract cost shall be set-aside until the project is completed and a certificate of completion (or CO) is issued.
- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$38,000. Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- e. **Terms, Recapture, and Default:** Funding will be provided in the form of a forgivable deferred payment zero (0) percent interest loan, for up to five (5) years, based upon the total amount SHIP assistance.

<u>Funding Award Amounts</u>	<u>Lien</u>	<u>Amortization Period</u>
<u>\$0 - \$13,000</u>	<u>0 years</u>	<u>Unsecured grant with no recapture or deferred payment provision</u>
<u>\$13,001 - \$38,000</u>	<u>5 years Affordability</u>	<u>Secured by Mortgage and Note without amortization or deed restriction</u>

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 (voluntarily or involuntarily), 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 the death of the owner prior to the end of the term of the mortgage, the outstanding balance becomes 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.

f. **Recipient Selection Criteria:**

- The County will advertise the availability of funds. Eligible owner occupied applicants will be considered on an ongoing basis subject to funding. Applicants will be awarded assistance on a first qualified, first served basis until all available funds are allocated.
- Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
- Property owners seeking assistance through this program must meet the program requirements outlined in Palm Beach County's Department of Economic Sustainability's policies for the Property Rehabilitation Program for Single-Family Structures and the Emergency Rehabilitation Program.
- Properties with shared roofs or common areas i.e. condominiums and 2 to 4 unit properties are ineligible except where all owners of a 2 to 4 SFD unit are eligible and have formally submitted a request for funding
- Applicant must be current with all property taxes, insurance, existing mortgage payments and other assessments. Property is ineligible if homeowner is delinquent or has defaulted on an existing mortgage or property tax obligation
- 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.
- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

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

h. **Additional Information:**

- Applicant may not currently own a home or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant's primary residence are included in the asset calculation).
- The residence must be owner occupied with a maximum value which does not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located.

- Mortgage payments and taxes must be current / paid up to date.
- Applicants must provide proof of current homeowners insurance or a policy requiring roof repair or replacement for renewal.
- In the event that the homeowner does not have an existing homeowner's insurance policy; this program may incorporate the payment of a one (1) year insurance premium showing Palm Beach County as an additional insured. Future payments are the sole responsibility of the homeowner(s)
- Emergency repairs will be performed by a State certified licensed contractor licensed to do business in Palm Beach County. The home owner must utilize the contractors within Palm Beach County's Facilities and Operations' Residential Repair Program or contractors from the Department of Economic Sustainability's approval contractor's list.
- If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for assistance.

G.

UTILITY CONNECTION/IMPACT FEE PAYMENT	CODES: 3/8
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- 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:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$13,000 Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- e. **Terms, Recapture, and Default:** Funding will be in the form of a deferred payment zero percent (0%) interest loan secured by a Mortgage and Promissory Note for a period of five (5) years, without amortization. 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 (voluntarily or involuntarily) 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 mirror 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 owner occupied applicants will be assisted on a ~~first come~~, first qualified, first served, ~~first approved~~ basis subject to funding availability.
 - Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
 - 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.

- Applicant promises to pay all property taxes, insurance, utilities, existing mortgage payments and other assessments when due.
- Verification of ownership and documented payment of property taxes must be provided.
- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

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

h. **Additional Information:**

- Other state, federal, private and local funds may be leveraged with SHIP funds.
- Mortgage payments and taxes must be current / paid up to date.
- Applicants must provide proof of current homeowners insurance.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
- Losses: Subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of this investment on a previously assisted household.
- Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan.
- Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant’s primary residence are included in the asset calculation).

H.

REPLACEMENT HOUSING	CODE: 4
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a. **Summary of the Strategy:** This strategy will provide financing to income eligible homeowners residing in dilapidated structures which are beyond rehabilitation. A 20 percent (20%) contingency amount of the contract cost shall be set-aside until the project is completed and a certificate of completion (or CO) is issued.

Eligible uses of funding include, but are not limited to:

- Demolition of the existing property;
- Construction cost of a replacement home on the same lot (or) purchase of an existing home; and
- Relocation costs (includes utility deposits, storage, and moving)
- Rent subsidy in conjunction with replacement program.

b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016

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

d. **Maximum Award:** \$222,000 or 90 percent (90%) of median sales price. Up to \$7,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost. The amount of subsidy awarded will be the maximum amount necessary to replace the home through the purchase of an existing house or new construction.

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

1. Funded projects will utilize a 30 year deferred payment loan at zero-percent interest. Payment in full is due upon sale if sold within the 30 year term. If sold after the 30 year term, no repayment is required, as long as, the recipient continues to own the assisted property and live in the property as their principle residence during the term of the mortgage. Assistance will be included in a recorded mortgage and subject to the above recapture provisions.
2. Default of loan occurs if the Mortgagor no longer resides in the home as the principle residence, or if any part of the property or an interest in it is sold, transferred, gifted or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the Mortgagor is divested by the title by judicial sale, levy or other proceeding, or if foreclosure action is instituted against the property, or if the property is leased or rented.
3. A subordination of this deferred payment mortgage will only be approved under the guidelines of the Subordination Policy established by Palm Beach County's SHIP Program.
4. 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.
5. In the event of 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 new owner within ninety (90) days of the death of the original borrower. All applicable deed/affordability restrictions will be transferred to the new owner.
6. Additionally, a deed restriction or other legally sufficient document will be recorded with the Clerk of the Circuit Court to ensure the resale of the unit to a low or moderate income homebuyer. Moderate income households are not eligible where HOME match financing was used. The County has incorporated other long term affordability options such as a Community Land Trust and shall explore Shared Equity/Appreciation policies. Resale restrictions as stipulated in a Community Land Trust are incorporated. 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 50% of net profit (depending on year sold after purchase) 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.
7. 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 a deed in lieu of foreclosure of the first mortgage transpires, 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.

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

f. **Recipient Selection Criteria:**

- Income eligible applicants will be assisted on a ~~first come~~, first qualified, first served, ~~first approved~~ basis subject to funding availability.
- Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.
- Applicants must demonstrate the ability to pay property taxes, homeowners insurance, utilities, and mortgage payments (*where applicable*); and must also demonstrate the ability to maintain the property (housing and debt ratios will be utilized 35% PITI & HOA and 45% overall indebtedness, front-end housing ratio may go higher if overall indebtedness is less than 40%).
- Property must be owner-occupied and maintained as principal place of residence.
- Applicant promises to maintain property and not allow deterioration of mortgaged property.

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

h. **Additional Information:**

- Other state, federal, private and local funds may be leveraged with SHIP funds. SHIP funds may be leveraged with SAIL, CDBG, HOME, private financing and other public financing sources where applicable.
- Family size will dictate the size of the replacement home.
- Mortgage payments and taxes must be current / paid up to date.
- Applicants must provide proof of current homeowners insurance.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or emergency repairs. BCC approval is required for all other exceptions.
- Losses: Subsidy will not be granted for three (3) years to applicants where the County has lost all or a portion of this investment on a previously assisted household.
- Post Closing Counseling: Counseling is required for previously assisted borrowers who are repeatedly delinquent or defaulted on a Palm Beach County mortgage loan.

I.

DISASTER MITIGATION	CODE: 5
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- a. **Summary of the Strategy:** Financial assistance will be provided to income eligible households following a disaster as declared by Executive Order of the United States, or the Governor of the State of Florida. This strategy will only be implemented in the event of a 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:

- 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;
- Payment of insurance deductibles for rehabilitation of homes covered under homeowner insurance and homeowner association policies;
- Security deposits and rental assistance by Executive Order, for eligible recipients displaced from their homes due to damage caused by the natural disaster;
- 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;
- Payment for rehabilitation of homes with non-insured repairs;
- Other activities as proposed by Palm Beach County and approved by Florida Housing Finance Corporation.

b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016

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

d. **Maximum Award:** Very low \$58,000, Low \$48,000, and Moderate \$43,000. Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.

e. **Terms, Recapture, and Default:** All assistance provided is due upon sale, title transfer or conveyance. No payment is required as long as the home remains the primary residence of the applicant, not to exceed 30 years. 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 mirror the Purchase Assistance Program. In the event of death of the owner, recapture and default, provisions will mirror 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. All rental owners will be required to comply with the Monitoring and First Right of Refusal requirements shown on page 5 of the LHAP.

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.

- Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).
- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

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

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

J.

FORECLOSURE PREVENTION	CODE: 7
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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 the maximum award amount to assist with delinquent mortgage payments (PITI), including late fees, attorney's fees, homeowners' association payments, special assessments, other foreclosure associated costs, property taxes, homeowners insurance, and mortgage delinquency and default resolution counseling.

Funding for property taxes and homeowners insurance will be provided only if they are currently escrowed or will become escrowed as a result of receiving assistance.

b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016

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

d. **Maximum Award:** \$18,000. Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.

e. **Terms, Recapture, and Default:** Assistance will be in the form of a deferred payment zero percent (0%) interest loan secured by a Mortgage and Promissory Note for a period of five (5) years, without amortization. No payment is required as long as the home remains the primary residence of the applicant. If the home is sold, title is transferred (voluntarily or involuntarily) 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.

A subordination of this deferred payment mortgage will only be approved under the guidelines of the Subordination Policy established by Palm Beach County's SHIP Program.

f. **Recipient Selection Criteria:**

- Income eligible applicants will be selected on a ~~first-come~~, first qualified, first served basis subject to funding availability.
- Special priority will be given to elderly, persons with disabilities, and veterans above all other eligible income groups. Proof of eligibility is required at time of intake (e.g. DD-214, primary applicant age 62 evidence by birth certificate and valid State or Federal identification, proof of disability by a government agency or physician).

- All borrowers utilizing housing loan program funds must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.
- Applicants must verify the ability to avoid default by showing that the 1st mortgage lender is willing to stop foreclosure upon assistance being provided.
- 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 considerable loss of income, unexpected medical expenses, or unanticipated home repairs or costs associated with increases escrows.
- Participants can only receive assistance once.
- Fair Market value of the property may not exceed the established maximum sales price.

- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:** SHIP funds may be leveraged with other private funding and local funding.

K.

RAPID RENTAL HOUSING ENTRY ASSISTANCE	CODE: 23
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- a. **Summary of the Strategy:** This strategy will provide financial assistance to eligible extremely-low, very-low, and low income households to pay for rental security deposits and utility deposits and connection fees.
- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Extremely Low, Very Low and Low
- d. **Maximum Award:** \$6,000.
- e. **Terms, Recapture, and Default:** The assistance will be in the form of a grant with required guarantees from the landlord and the SHIP recipient.
- f. **Recipient Selection Criteria:** Recipients will be selected on a ~~first come~~, first qualified, first served, ~~first approved~~ basis within the eligible income groups and subject to funding availability. Recipients will only receive financial assistance once through this SHIP funded program.
- g. **Sponsor Selection Criteria and Duties:** Applications will be accepted while funding is available from individual households as well as non-profit and community based organizations with housing delivery experience and documented ability to deliver results. Funding may be awarded to the non-profit organizations with documented housing delivery experience. Successful non-profits will be selected according to the following criteria:
 - Organization’s past experience with direct assistance.
 - Outreach capability to targeted client groups and ability to serve County residents.
 - Proof of ability to income certify applicants utilizing State SHIP standards.
- h. **Additional Information:** None

L.

DEVELOPER ASSISTANCE RENTAL HOUSING	CODES: 14/21
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- a. **Summary of the Strategy:** This strategy will provide assistance to developers and owners of affordable rental housing serving lower income households.
- Eligible recipients of this assistance shall include owners of ~~25 units and fewer~~. These eligible recipients include owner of affordable rental units serving lower income special needs population. The goal of this strategy is to preserve and increase the number of affordable rental housing units available to income eligible persons in Palm Beach County. Funds awarded under this strategy will be encumbered within 12 months and expended within 24 months with the units occupied by eligible applicants. 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. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low and Low
- d. **Maximum Award:** \$43,000 per unit Up to \$3,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- 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%) annually once project is completed. The affordability term will be a minimum of fifteen (15) years not to exceed a 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. Assisted developments must commit to rent stipulations 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. **Recipient Selection Criteria:** Management of the development will select potential renters for the SHIP assisted units on a ~~first come~~, first qualified, first served basis. SHIP recipients must meet all SHIP affordability and income guidelines for the income group. County staff will ensure that the management of the development income-certify all renters prior to providing assistance.
- g. **Sponsor (Developer) Selection Criteria and Duties:** The County will advertise the availability of funds. Sponsors of affordable rental development will be selected through a request for proposal (RFP) utilizing the County's established guidelines. Management of the development will select and place income eligible persons into the SHIP assisted units on a first come, first qualified, first served, first approved 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.
- h. **Additional Information:** Other state, federal, private and local funds are strongly encouraged to leverage with SHIP funds.

M.

VETERANS HOMEOWNERSHIP & PRESERVATION PROGRAM	CODES: 1/2/3
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- a. **Summary of the Strategy:**
 - (1). Funding will provide first and/or subordinate mortgage loan assistance to income eligible active duty military personnel and veterans, including eligible surviving spouses of military personnel to acquire a new or existing single family residence or rehabilitate an existing home. Assistance can be used for leveraging with existing veterans housing ownership programs, gap financing, and land acquisition with housing development, down payment assistance, closing costs, and rehabilitation with or without acquisition. Maximum loan amounts are based upon established affordability guidelines. Creditworthiness is based upon Department of Economic Sustainability (DES) established underwriting guidelines. Purchase price plus rehabilitation cannot exceed 90% of the U.S. Treasury median sales price.
 - (2). When leveraging with existing state HOME and/or Military Heroes programs the County may subordinate in accordance with established state guidelines. The County will only subordinate a junior lien where the amount of additional leveraged funding is greater than the County’s secondary financing; not in instances where the County’s lien is as the primary lender.
 - (3). When leveraging with Federal Home Loan Bank member institutions the member bank will be the primary lender and the County will provide gap funding in accordance with established federal guidelines.
 - (4). This strategy will also make funds available to income eligible owner occupied veterans for barrier free ADA rehabilitation/repairs to correct code violations or incipient items that will become a code violation.
- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low and Low
- d. **Maximum Award:** \$105,000 Up to \$5,000 of the applicable maximum award amount may be provided as a grant for program/project delivery cost.
- e. **Terms, Recapture and Default:**
 - 1. The County’s First Mortgage and Note will be for a term of thirty (30) years. Fixed term and interest rates are based upon the average 30-year fixed loan rate published on the first Saturday of the month in a newspaper of general circulation, plus .50 basis points. If the home is sold, title is transferred 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.

Default on the loan occurs if the Mortgagor fails to make the required monthly payment to include a principal and interest payment plus escrow payment and the annual property tax assessment for homeowner’s, flood and windstorm insurance, as applicable.
In the event of the death of the Mortgagor prior to the end of the mortgage, the outstanding, balance shall become immediately due and payable (unless the heirs qualify as income eligible).
 - 2. Second Mortgage funding will be provided in the form of a forgivable deferred mortgage with a zero payment (0) and zero percent (0%) interest loans, for up to 15 years, based upon the total amount assistance. See matrix for amounts, liens and terms:

<u>Funding Award Amounts</u>	<u>Lien</u>

<u>\$0 - \$15,000</u>	<u>5 years</u>
<u>\$15,001 - \$45,000</u>	<u>10 years Affordability</u>
<u>\$45,001 - \$75,000+</u>	<u>15 years Affordability</u>

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 (voluntarily or involuntarily), 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.

f. **Recipient Selection Criteria:**

- Income eligible veterans will be selected on a first-come, first qualified, first served basis subject to funding availability.
- Proof of eligibility is required at the time of application submittal. Veteran must present DD-214 at the time of intake.
- Applicants must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

(1). First Mortgage Loans:

- Applicants must demonstrate their inability to receive a first mortgage loan from a lender. Palm Beach County will serve as lender of last resort, with the exception of combining County and State programs.
- Active duty military personnel must be first time homebuyers.
- Veterans are exempt for the FTHB rule.
- Applicant cannot own other residential property.
- The applicant must enroll and complete an eight (8) hour Homebuyer Counseling Program through a HUD approved counseling agency or in instances where the lender is a FHLBA member institution, adhere to their counseling guidelines (ClearPoint). Certifications are good for one year; re-certifications are required if the borrower(s) have not presented a fully executed purchase contract prior to income certification expiration.
- 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.
- Ratios: Housing Ratios 35% front end and 45% backend.
- Interest rate (if PBC is lender) will be based on current 30 year fixed rate mortgages for the area, posted in the *Palm Beach Post* the first Saturday of the month.
- FICO Credit Score: Middle Score must be at least 600, if less than three scores the lowest score must be at least 600, if no score, the borrower is deemed ineligible for first mortgage financing, but may utilize second mortgage financing. Once an applicant has been approved and is in process of consummating a purchase transaction, the County, as the lender may consider financing with a minimum 580 FICO score, if the lower score is due to repeated credit inquiries during the loan process and no adverse action on the borrowers behalf.

- Very low-income homebuyers must contribute a minimum of 1.5% of the sales price and repairs, and low income buyers must contribute a minimum of 2.5% of the sales price and repairs. Buyers' contribution must be their own funds. Gift funds may be used above the required minimum contribution, but cannot serve as a substitution. The source of the applicants contribution must be sourced; alternative savings may be used if the buyer has exhibited a pattern of saving in a like manner and/or is consistent with cultural norms i.e. pooled money (su-su) or cash on-hand (mattress money).

(2). Barrier Free ADA Rehabilitation/Repair:

- Property must be owner occupied
- Verification of ownership and documented payment of property taxes must be provided. Mortgage payments and taxes must be current/paid up to date;
- Documents evidencing need for ADA rehabilitation for a household member; and
- Applicants must provide proof of current homeowners insurance.

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

h. **Additional Information:**

- SHIP funds may be leveraged with other private and local funding.
- The purchase and/or rehabilitation of condominiums and/or townhomes will be considered on a case by case basis. Based upon such criteria as condominium owner/investor ratio, special assessments, pending legal issues and the like.
- Rehabilitation/repairs will be performed by a State certified licensed contractor licensed to do business in Palm Beach County. The home owner must utilize the contractors within Palm Beach County's Facilities and Operations' Residential Repair Program or contractors from the Department of Economic Sustainability's approval contractor's list.
- Eligible repairs for barrier removal modifications include: ADA/UFAS compliant repairs, installations and modifications (*for things such as widening of doors, and installation of accessible doors and hardware*), widen halls, kitchens, bathrooms and bedrooms to accommodate mobility aides (*canes, walkers, wheelchairs and scooters*), Energy Star rated products should be used whenever available, installation of grab bars, entry ramps, railings, walkways landings, and elevators/lifts. Installation, repair and relocation of light switches, electrical outlets, thermostats and other environmental controls in accessible locations. Installation of non-slip floor surfaces throughout the home, installation of lever hardware, delayed opening and closing mechanism on egress and garage doors, improved lighting, accessible appliances which include but not limited to front or touch-type controls, installation of accessible cabinets, shelves, drawers, sinks, toilets, kitchen and bathroom, installation and provision of assisted technology products to increase accessibility in the home (*shower chair, hand accessible touch-type light switches and thermostats, hand held shower, non-slip surfaces roll-in with or without curb shower*), alternative communication devices, hurricane impact windows and doors, accommodations for service or companion animals, roof repairs and/or replacement, complete repair or replacement of deteriorated roofing systems to eliminate substandard or unsafe roofing conditions, window repair, replacement and weather-stripping, re-wiring, re-plumbing, termite treatment and repair, interior wall repairs and painting, a/c and heating systems repair or replacement and repair cracked or hazardous driveway and/or sidewalks.
- Recidivism: Assisted households may not receive additional funding during the affordability period. Exceptions may be made foreclosure prevention or

emergency repairs. BCC approval is required for all other exceptions.

- If the property is determined or expected to have mold or Chinese drywall, the property is ineligible for acquisition and/or rehabilitation.
- Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant's primary residence are included in the asset calculation).

III. LHAP INCENTIVE STRATEGIES

A. **Name of the Incentive Strategy: EXPEDITED PERMITTING**

To ensure the review of affordable housing projects is expedited to a greater degree than other projects, Palm Beach County has instituted a "Pre-Application Review Process", in which Affordable Housing Developers are encouraged to participate. The pre-application review process will occur prior to the submittal of a Zoning or Building permit application, for purposes of establishing a density bonus determination. The pre-application shall be established by the Planning Director, and made available to the public and be subject to Sufficiency Review. The Planning Director shall provide a written density determination letter within ten days of determining the pre-application is sufficient. The determination shall be based on the sector analysis, size, location and development characteristics of the project with consideration given towards affordability, accessibility, proximity to mass transit or employment centers, compatibility, quality of design, pedestrian and vehicular circulation, open space, and resource protection. The Planning Director shall prepare a report for the applicant, Development Review Officer (DRO) Committee, Zoning Commission (ZC), or Board of County Commissioners (BCC), whichever is appropriate, making a determination of compliance with this chapter, consistent with the Plan and recommend approval, approval with conditions, or denial of the request.

Additionally, the Department of Economic Sustainability (DES) staff may serve as one of the agencies that make up the Development Review Officer (DRO) Committee. The DRO Committee meets monthly and provides the process by which private land development proposals are reviewed by various County Departments and agencies for compliance with County development regulations. This process is administered by PZ&B's Zoning Division. DES may be one of the review agencies certifying projects for public hearings before the County's Zoning Commission and the Board of County Commissioners. DES may also help certify site development plans prior to building permit applications being submitted by a developer. As Affordable Housing Projects are presented, DES staff will work with the PZ&B staff, as well as the developer to ensure that affordable housing projects are expedited to a greater degree than other projects.

Also, Palm Beach County updated its Unified Land Development Code (ULDC) (*located in Article 5, CHAPTER G, Section I*) ordinance (#2006-055) in 2006. The ULDC allows for the following processes with regards to expedited review for a proposed Affordable Housing Development:

a. **Design Review**

Review of multifamily or townhouse structures by the Building Division and Fire Rescue shall be allowed concurrent with final DRO review, prior to permit application.

b. **Platting**

- 1) If only a boundary plat is required for an existing single lot, building permits may be issued after submittal of the final plat for recordation.
- 2) If a subdivision plat is required, permits will be concurrently reviewed, but only issued at recording of the plat.
- 3) Pursuant to Article 3.E.1.G.1.a, Permits, Building permits may be issued for sales offices, sales models, gate houses, entry features, and utilities may be issued prior to the recording of a final plat.

THIS “EXPEDITED PERMITTING” INCENTIVE HAS BEEN IN OPERATION SINCE NOVEMBER 2006.

B. Name of the Incentive Strategy: ONGOING REVIEW PROCESS

In order to ensure that this incentive is met, DES staff shall attend all monthly Planning Commission meetings. The Planning Commission serves as the Local Planning Agency (LPA) per sec. 163.3174, F.S. and provides recommendations on amendments to the Palm Beach County Comprehensive Plan. DES staff will provide appropriate input at all Planning Commission meetings regarding issues related to Affordable Housing. Also, a member of our Affordable Housing Advisory Committee is currently serving as a board member of the Planning Commission. This provides further insight and an affordable housing advocate on the Planning Commission. By participating as one of the County Departments responsible for presenting information to the Planning Commission, specifically for Affordable Housing Projects, this will further ensure that DES is up to date and/or at the forefront on all discussions related to policies, procedures, ordinances, regulations, or plan provisions that may increase the cost of housing. DES staff will draft monthly reports outlining issues discussed at the Planning Commission meetings which may potentially impact the cost of housing. DES staff will then submit the report to the DES Director and the Commission on Affordable Housing Advisory Committee.

Palm Beach County’s Department of Economic Sustainability (DES) shall also work with the Planning Zoning and Building (PZ&B) Department and serve as staff to the Land Development Regulation Advisory Board (LDRAB). The LDRAB meets monthly and reviews and makes a recommendation to the Board of County Commissioners (BCC) on proposed amendments to the Unified Land Development Code (ULDC). DES will work with the Code Revision Section of PZ&B, which is responsible for: coordinating the periodic review and updates to the ULDC for the LDRAB; conducting on-going research of various projects and topics related to the code amendment process; the coordination of amendments to the Articles with the various County Divisions for compliance with the Comprehensive Plan, Board of County Commission directives and in response to changes in industry standards. DES will be involved with this process by regularly attending meetings with the Code Revision Section to review all of the proposed code revisions that are being presented to the LDRAB. DES staff will work with the Code Revision Section to ensure that if any policy, procedure, ordinance or plan provisions that address housing development, that it is adequately reviewed by DES Staff and presented to our Commission on Affordable Housing Advisory Committee. DES staff will draft monthly reports outlining issues discussed at the LDRAB meetings which may potentially impact the cost of housing. DES staff will then submit the report to the DES Director and the Commission on Affordable Housing Advisory Committee.

Finally, DES staff will serve as one of the agencies that make up the Development Review Officer (DRO) Committee. The DRO Committee meets monthly and provides the process by which private land development proposals are reviewed by various County Departments and agencies for compliance with County development regulations. This process is administered by PZ&B’s Zoning Division. DES will be one of the review agencies certifying projects for public hearings before the County’s Zoning Commission and the Board of County Commissioners. DES will also help certify site development plans prior to building permit applications being submitted by a developer. DES staff will draft monthly reports outlining issues discussed at the DRO Committee meetings which may potentially impact the cost of housing. DES staff will then submit the report to the DES Director and the Commission on Affordable Housing Advisory Committee.

THIS “ONGOING REVIEW PROCESS” INCENTIVE WAS ESTABLISHED BY THE BOARD OF COUNTY COMMISSIONERS ON JANUARY 27, 2009, AND IS CURRENTLY IN OPERATION.

C. Name of the Incentive Strategy: THE PREPARATION OF A PRINTED INVENTORY OF LOCALLY OWNED PUBLIC LANDS SUITABLE FOR AFFORDABLE HOUSING.

On September 9, 2008 (*R-2008-1562*) the Palm Beach County Board of County Commissioners approved a list of County owned land that was determined to be suitable for affordable housing. A follow up workshop and Affordable Housing Inventory (AHI) was submitted to the BCC on May 22, 2012. This list will be updated tri-annually.