

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**WORKSHOP SUMMARY**

**Meeting Date:** February 27, 2018

**Department:** Department of Housing and Economic Sustainability

**I. EXECUTIVE BRIEF**

**Title:** Discussion on proposed amendments to Palm Beach County's State Housing Initiative Partnership (SHIP) Program strategies for the 2013-2016 and 2016-2019 Local Housing Assistance Plans (LHAPs).

**Summary:** On April 16, 2013, the Board of County Commissioners (BCC) approved the SHIP 2013-2016 LHAP (R2013-0487 and R2013-0488), and on April 19, 2016 the BCC approved the SHIP 2016-2019 LHAP (R2016-0503). These LHAPs establish how Palm Beach County utilizes its SHIP allocation for the fiscal years identified. The proposed amendments to the LHAPs are provided in detail in the attached in ~~strikethrough~~/underline format. Three of the amendments are to make the strategies consistent with the current SHIP requirements and to align the funding assistance and terms for the various income categories as summarized in Attachment 1 and below. The fourth amendment is a new strategy that would promote and support the construction of single-family homes, which is consistent with the County's efforts to provide affordable housing options to eligible individuals.

1. First Mortgage Loan Assistance Program and the Replacement Housing: The existing maximum award each program allows is \$220,000. The amendment increases the award to \$317,647 in accordance with SHIP regulations, which allow awards up to 90% of the average area purchase price as established by the U.S. Treasury, which currently is \$317, 647 for Palm Beach County.
2. Owner Occupied Housing Rehabilitation, Roof Repair Replacement, and Emergency Repair: The existing Programs have tiered maximum awards and affordability periods based on income levels. The proposed amendment aligns funding assistance for all income categories at a maximum of \$80,000 and establishes a 15-year affordability period. It also places the primary emphasis on addressing code, health, life, safety and hurricane hardening and requires consent from all property owners (i.e. duplex, triplex, etc.) when implementing work that impacts multiple owners.
3. Disaster Mitigation Program: The proposed amendment allows long-term hurricane hardening measures that help prevent future storm damage. It also aligns the maximum award amount (\$58,000) for all eligible homeowners. The proposed amendment will also reduce the affordability period on the mortgage from 30 years to 15 years.
4. Single Family New Construction Program: To encourage the development of affordable single-family homes, we propose adding a strategy that would assist general contractors, non-profits and/or for-profit housing developers in developing homeownership opportunities. Funds can be used for eligible construction related costs. The maximum assistance provided per unit will not exceed 90% of average area purchase price for Palm Beach County as established by the U.S. Treasury. The County has a SHIP Developer Rental Assistance Housing Strategy for multi-family housing; this would be the first SHIP strategy to support the construction of single-family homes for homeownership.

These amendments impact both the 2013-2016 LHAP and the 2016-2019 LHAP. **These are State SHIP Program grant funds which do not require a local match. Countywide (JB)**

**Background and Policy Issues:** Continued on Page 3

**Attachment(s):**

1. Summary Table
2. Revised 2013-2016 LHAP in ~~strikethrough~~/underline format
3. Revised 2016-2019 LHAP in ~~strikethrough~~/underline format

**Recommended By:** Jonathan Brown 2/14/18  
**Department Director** **Date**

**Approved By:** Carol A. Johnson 2/21/18  
**Assistant County Administrator** **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_  
Does this Item include the use of Federal funds? 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: Shairette Major  
Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

Lisa Pina 2/25/18  
OFMB 2/20/18  
John S. Jacobson 2/20/18  
Contract Development and Control 2/20/18

B. Legal Sufficiency:

Anna Brubaker 2/21/18  
Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director

**Background and Policy Issues:** (Continued from Page 1)

On April 16, 2013, the BCC approved the SHIP 2013-2016 LHAP (R2013-0487 and R2013-0488) which allocated the SHIP distribution to the housing strategies through June 30, 2016, with an expenditure deadline of June 30, 2018. The 2016-2019 LHAP was approved on April 19, 2016 (R2016-0503), allocating the SHIP distribution to the housing strategies through June 30, 2019 with an expenditure deadline of June 30, 2021. Pursuant to Florida Statute 420.9072(3), the local governing body (the BCC) must first approve a revision that is determined to be an "amendment".

Palm Beach County State Housing Initiative Partnerships (SHIP) Local Housing Assistance Programs (LHAP) Fiscal Years 2013-2016 and 2016-2019		
Strategy	Existing Language	Proposed Amendment
<b>First Mortgage Loan Assistance Program and Replacement Housing Program</b> – increase the maximum award amount to be identical to Palm Beach County’s current maximum purchase price.	\$220,000 for Very Low, Low and Moderate income households  Both programs have a 30-year lien requirement.	\$317,647 for Very Low, Low and Moderate income households  The 30-year lien requirement would remain the same.
<b>Owner Occupied Housing Rehabilitation</b> – (1) amend the maximum award amounts to be equivalent for all income categories; (2) amend the affordability period on the mortgage to a 15-year lien term; (3) amend the programs to place an primary emphasis on addressing code, health, life, safety and hurricane hardening; (4) amend the program to state, assistance for multi-family properties (i.e. duplex, triplex, etc.) may require all individual unit owners consent to the requirements of the program.	(1) \$80,000 for Very low; \$65,000 for Low; \$50,000 for Moderate income households  (2) Forgivable deferred payment 0% interest loan based upon the total amount of assistance \$0 - \$15,000: 5 year lien \$15,000 - \$45,000: 10 year lien \$45,001 - \$80,000: 15 year lien	(1) \$80,000 for Very Low, Low and Moderate income households  (2) Forgivable deferred payment 0% interest loan, for 15 years
<b>Roof Repair/Replacement Program</b> – (1) amend the affordability period on the mortgage to a 15-year lien term (2) amend the program to state, assistance for multi-family properties (i.e. duplex, triplex, etc.) will require all individual unit owners consent to the requirements of the program.	Forgivable deferred payment 0% interest loan based upon the total amount of assistance \$0 - \$13,000: 5 year lien \$13,001 - \$38,000: 10 year lien	The maximum assistance would remain at \$38,000  Forgivable deferred payment 0% interest loan, for 15 years
<b>Emergency Repairs Program</b> – (1) amend the maximum award amounts to be equivalent for all income categories; (2) amend the affordability period on the mortgage to a 15-year lien term; (3) amend the programs to place an primary emphasis on addressing code, health, life, safety and hurricane hardening; (4) amend the program to state, assistance for multi-family properties (i.e. duplex, triplex, etc.) will require all individual unit owners consent to the requirements of the program.	(1) \$43,000 for Very low, Low and Moderate income households  (2) Forgivable deferred payment 0% interest loan based upon the total amount of assistance \$0 - \$23,000: 5 year lien \$23,001 - \$38,000: 10 year lien	(1) \$43,000 for Very low, Low and Moderate income households would remain the same  (2) Forgivable deferred payment 0% interest loan, for 15 years
<b>Disaster/Post Disaster/Mitigation /Recovery Program</b> – (1) add language allowing the retrofitting of residences with mitigation features; (2) amend the maximum award amounts to be equivalent for all income categories; (3) reduce affordability period on the mortgage to a 15-year lien term.	(1) Upgrading damaged substandard properties to correct code violations and prevent additional deterioration.  (2) \$58,000 for Very Low income households; \$48,000 for Low income households; and \$43,000 for Moderate income households  (3) Remains the primary residence of the applicant, not to exceed 30 years	(1) Upgrading damaged substandard properties to correct code violations and prevent additional deterioration or future storm damage (installation of roofing straps, shutters, storm doors, hurricane impact windows and garage doors).  (2) \$58,000 for Very Low, Low and Moderate income households  (3) Remains the primary residence of the applicant, not to exceed 15 years
<b>Single Family New Construction</b> - provide funding to general contractors, Non-profits and/or For-profits housing developers to construct affordable single-family units for eligible first time homebuyers.	This is a newly proposed program	The maximum SHIP assistance provided for construction shall not exceed the eligible maximum for Palm Beach County (currently that amount is \$317,647). Repayable predevelopment or construction loan is provided to the contractor / developer. Forgivable deferred payment 0% interest loan, for 30 years to the eligible homebuyer. General contractors or developers will be procured through a competitive process.



**PALM BEACH COUNTY**

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

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**LOCAL HOUSING ASSISTANCE PLAN  
(LHAP)**

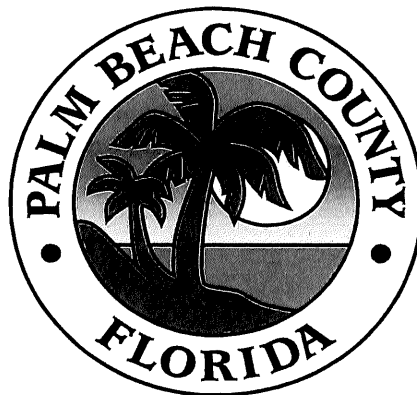
**Fiscal Years**

**2013/2014, 2014/2015, 2015/2016**

REVISED APRIL 21, 2015 – BCC APPROVED SEPTEMBER 22, 2015

TECHNICAL REVISION April 15, 2016 – FHFC Approved April 18, 2016

**AMENDED \_\_\_\_\_, 2018**



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

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## 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

A copy of the Interlocal Agreement is attached as Exhibit H. 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](http://www.floridahousing.org).

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

**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 costs 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 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.**

<b>PURCHASING ASSISTANCE WITH/WITHOUT REHABILITATION</b>	<b>CODES: 1/2</b>
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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. 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, up to 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 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% *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 qualified, first served 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 repairs, and low and moderate buyers must contribute a minimum of 3.5% of the sales price and repair cost. Buyers' contribution should be their own funds. However, gift funds and other sources of funding may be used. 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-sù) 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 of paid out of 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.
  - 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.**

<b>HOME MATCH</b>	<b>CODES: 1/2</b>
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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. Up to 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 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% of the 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 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 qualified, first served 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 cost. Buyers' contribution should be their own funds. However, gift funds and other sources of funding may be used. 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 of paid out of 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.
- 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.

<b>FIRST MORTGAGE LOAN ASSISTANCE PROGRAM</b>	<b>CODES: 1/2</b>
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- a.     **Summary of the Strategy:** 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. Up to 20 percent (20%) contingency amount shall be set-aside 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, Low and Moderate
- d.     **Maximum Award:** \$220,000 \$317,647 or 90% of median sales price (sales price cannot exceed 90% of median sales prices after rehabilitation). 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:** 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 qualified, first served 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 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 should be their own funds. However, gift funds and other sources of funding may be used. 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.

<b>OWNER OCCUPIED HOUSING REHABILITATION/BARRIER FREE</b>	<b>CODE: 3</b>
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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. Up to 20 percent (20%) contingency amount shall be set-aside 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.
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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 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.
- 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.
- Consent will be required from affected multifamily unit owners (i.e. duplex, triplex, etc.) when required work affects multiple owners.

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. Up to 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:** \$38,000. \$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:** 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 for 15 years.

<b>Funding Award Amounts</b>	<b>Lien</b>	<b>Amortization Period</b>
\$0—\$23,000	0 years	Unsecured grant with no recapture or deferred payment provision
\$23,001—\$38,000	5 years Affordability	Secured by Mortgage and Note without amortization 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 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 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.
- Consent will be required from affected multifamily unit owners (i.e. duplex, triplex, etc.) when required work affects multiple owners.

F.

ROOF REPAIR/REPLACEMENT	CODE: 6
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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. Up to 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. 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, 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. for 15 years~~

Funding Award Amounts	Lien	Amortization Period
\$0 – \$13,000	0 years	Unsecured grant with no recapture or deferred payment provision
\$13,001 – \$38,000	5 years Affordability	Secured by Mortgage and Note without amortization 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.

- 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.
- Consent will be required from affected multifamily unit owners (i.e. duplex, triplex, etc.) when required work affects multiple owners.

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 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).
  - 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.
  - Consent will be required from affected multifamily unit owners (i.e. duplex, triplex, etc.) when required work affects multiple owners.

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. Up to 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. Total funding, including contingency amount shall not exceed the ~~maximum allowable award in the~~ current approved LHAP’s maximum home value.
- 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~~ \$317,647 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 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 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.
- 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).

I.

<b><u>DISASTER/POST DISASTER/ MITIGATION/RECOVERY</u></b>	<b>CODE: 5</b>
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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 or future storm damage (installation of roofing straps, shutters, storm doors, hurricane impact windows and garage doors)
  - 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~~ 15 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 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.
- 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).

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.

<b>FORECLOSURE PREVENTION</b>	<b>CODE: 7</b>
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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 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 1<sup>st</sup> 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.

<b>RAPID RENTAL HOUSING ENTRY ASSISTANCE</b>	<b>CODE: 23</b>
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- a. **Summary of the Strategy:** This strategy will provide financial assistance to eligible households to pay for rental security deposits, utility deposits, connection fees, housing stability counseling, and rent equal to no more than 12 months rental payments.
- b. **Fiscal Years Covered:** 2013-2014, 2014-2015 and 2015-2016
- c. **Income Categories to be served:** Very Low and Low
- d. **Maximum Award:** \$10,000
- 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 qualified, first served 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 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 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 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 Housing and Economic Sustainability (HES) 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, Low, and Moderate
- 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 and/or Second 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:

<b>Funding Award Amounts</b>	<b>Lien</b>	<b>Amortization Period</b>
\$0 - \$15,000	5 years	Secured by Mortgage and Note without amortization and deed restriction
\$15,001 - \$45,000	10 years Affordability	Secured by Mortgage and Note with amortization, reducing principal amount owed by 10% annually and deed restriction.
\$45,001 - \$75,000+	15 years Affordability	Secured by Mortgage and Note with amortization, reducing principal amount owed by 10% annually and 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.

f. **Recipient Selection Criteria:**

- Income eligible veterans will be selected on a 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 should be their own funds. However, gift funds and other sources of funding may be used. 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 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).

N. \_\_\_\_\_

<b><u>SINGLE FAMILY NEW CONSTRUCTION</u></b>	<b><u>CODE: 10</u></b>
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- a. **Summary of the Strategy:**  
Funding will be awarded to contractors, Non-profits and For-profit housing developers to construct affordable single-family units for eligible first time homebuyers. Funds can be used for site acquisition, soft costs, site development, infrastructure improvements, demolition, construction and other eligible construction related costs.  
  
There is no minimum or maximum number of units that may be included in an assisted development. Funds will be awarded for a specific number of assisted units.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$317,647 per unit
- e. **Terms:**
1. **Loan/grant:** Funds will be awarded as a repayable predevelopment and/or construction loan secured by a recorded mortgage and note.
  2. **Interest Rate:** 0%
  3. **Term:** 5 years for the contractor or developer  
30 years for the eligible buyer
  4. **Forgiveness/Repayment:** The County will require the developer to execute a restrictive covenant with a 15-year affordability period, mortgage and promissory note. The loan term is five (5) years with repayment deferred until unit sale. Upon the sale of the property by the contractor or developer, the loan will be paid in full and the County will satisfy the promissory note to the developer and tender a recorded satisfaction. Upon the sale of the property by the contractor or developer to an eligible buyer, the buyer will be required to execute a 30-year restrictive covenant, a mortgage (if applicable) and promissory note (if applicable).
  5. **Default/Recapture:** The loan will be in default if the developer does not successfully acquire and construct affordable housing and sell to an eligible homebuyer within the contractual timeframe. The County will recapture the subsidy or property if the housing has not been completed within three (3)

years of the date of the recorded Mortgage Agreement.

f. **Recipient Selection Criteria:** All applicants who purchase a home must meet the qualifications and adhere to the Purchase Assistance strategy.

g. **Sponsor Selection Criteria and Duties:** Developers will apply to the County through a competitive solicitation process, or be selected by the Board of County Commissioners. Proof of experience in constructing affordable housing, financial capacity to carry out the project, and to provide a housing unit design plan that meets the County's "housing element" in the Comprehensive Plan will be required.

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

1. Are in areas of immediate need due to a lack of available affordable units.

h. **Additional Information:**

- Developers will be required to meet the SHIP program compliance reporting requirements.

### 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 Housing and Economic Sustainability (HES) 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. HES may be one of the review agencies certifying projects for public hearings before the County's Zoning Commission and the Board of County Commissioners. HES may also help certify site development plans prior to building permit applications being submitted by a developer. As Affordable Housing Projects are presented, HES 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, HES 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. HES 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 HES 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. HES staff will draft monthly reports outlining issues discussed at the Planning Commission meetings which may potentially impact the cost of housing. HES staff will then submit the report to the HES Director and the Commission on Affordable Housing Advisory Committee.

Palm Beach County’s Department of Housing and Economic Sustainability (HES) 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). HES 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. HES 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. HES 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 HES Staff and presented to our Commission on Affordable Housing Advisory Committee. HES staff will draft monthly reports outlining issues discussed at the LDRAB meetings which may potentially impact the cost of housing. HES staff will then submit the report to the HES Director and the Commission on Affordable Housing Advisory Committee.

Finally, HES 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. HES will be one of the review agencies certifying projects for public hearings before the County’s Zoning Commission and the Board of County Commissioners. HES will

also help certify site development plans prior to building permit applications being submitted by a developer. HES staff will draft monthly reports outlining issues discussed at the DRO Committee meetings which may potentially impact the cost of housing. HES staff will then submit the report to the HES 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.

**PALM BEACH COUNTY**

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

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**LOCAL HOUSING ASSISTANCE PLAN  
(LHAP)**

**Fiscal Years  
2016/2017, 2017/2018, 2018/2019  
AMENDED \_\_\_\_\_, 2018**



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

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**I. PROGRAM DETAILS**

**A. Name of the participating local government:**

Palm Beach County

Is there an Interlocal Agreement: ☐ Yes ☒ No

**B. Purpose of the program:**

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

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

**D. Governance:**

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes, and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

**E. Local Housing Partnership:**

The SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

**F. Leveraging:**

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

**G. Public Input:**

Public input was solicited through publicly noticed meetings. Additionally, a series of face to face and/or roundtable meetings with real estate professionals, housing providers, local jurisdictions, 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. Waiting List/Priorities:**

A waiting list will be established when there are eligible applicants for strategies where funding is no longer available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time applications were submitted. No waiting list shall be maintained beyond one year.

Priorities for funding described here apply to all strategies unless otherwise stated in the strategy: The County will accept applications during the advertised "Application Period" stated in the Notice of Funding Availability (NOFA). Once funding requests for housing strategies have been exhausted, all other interested parties will be placed on a waiting list. When funds are available for a particular strategy, the applicants from the waiting list will be contacted to complete/update the application for SHIP assistance.

Once there is a list of eligible applicants, they will be ranked giving first priority to households qualifying as Special Needs and Veterans. These applicants will further be ranked with priority given to very-low, then low, then moderate income groups.

- J.     **Discrimination:**  
In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.
- K.     **Support Services and Counseling:**  
Support services are available from various sources. The County will provide Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling and Foreclosure Counseling through qualified HUD approved agencies.
- L.     **Purchase Price Limits:**  
The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the median area purchase price established by the U.S. Treasury or as described above.  
  
The methodology used is:  

☒             U. S. Treasury Department

☐             Local HFA Numbers
- M.     **Income Limits, Rent Limits and Affordability:**  
The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development (HUD) and posted at [www.floridahousing.org](http://www.floridahousing.org).  
  
Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household’s ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.
- N.     **Welfare Transition Program:**  
Should an eligible sponsor (a person or a private or public for profit or not-for-profit entity) 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, as defined by the federal/state government, will be given preference in the selection process.
- O.     **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 periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above.



Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

**P. Administrative Budget:**

A line-item budget of proposed administrative expenditures are attached as Exhibit A. Palm Beach County will utilize the money 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(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.”

The applicable local jurisdiction has adopted the above sections of the Florida Statutes 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.

**Q. Program Administration:**

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

(or)

A third party or consultant will be contracted for all or part of the administration of the program. The name of the entity is: N/A

The administrative duties they will provide are: N/A

**R. Project Delivery Costs:**

In addition to the administrative costs above, the County will charge reasonable project delivery cost to 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 for services provided by non-housing staff. The cost will be provided as a grant, noted below, not to exceed the strategies’ maximum award amounts, and shall not be included in the lien and/or deed against property:

- Up to \$7,000 for Replacement Housing Program
- Up to \$5,000 for Purchase Assistance, First Mortgage Loan Program, Housing Rehabilitation, Veterans Homeownership & Preservation Program
- Up to \$3,000 for Emergency Repairs, Disaster Mitigation, Foreclosure Prevention, Developer Assistance Rental Housing

**S. Essential Services Personnel Definition:**

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

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

The county will, when economically feasible, employ the following Green Building requirements on rehabilitation and emergency repairs:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—Water Sense labeled products or the following specifications:
  - a. Toilets: 1.6 gallons/flush or less,
  - b. Faucets: 1.5 gallons/minute or less,
  - c. Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
4. Energy Star qualified dishwasher, if provided;
5. Energy Star qualified washing machine, if provided in units;
6. Energy Star qualified exhaust fans in all bathrooms; and
7. Air conditioning: Minimum SEER of 14. Packaged units are allowed in studios and one bedroom units with a minimum of 11.7 EER.

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

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

Priority will be given to households qualifying as special needs households as defined by Section 393.063 Florida Statutes, Section 420.0004(5) Florida Statutes, Section 420.0004(7), and Section 401.1451(13) Florida Statutes. The 20% special needs set-asides will apply to all strategies.

**V. Describe efforts to reduce homelessness:**

Palm Beach County is a direct entitlement community for HUD’s Emergency Solutions Grant (ESG) Program and Community Development Block Grant (CDBG) Program, which provides funding to the Homeless Resource Center. Additionally, homelessness prevention is addressed through SHIP strategies, and services collaborated with the Department of Community Services and other organizations focused on homelessness.

**II. LHAP STRATEGIES**

**A.**

<b>PURCHASE ASSISTANCE</b>	<b>CODES: 1/2</b>
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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 awarded to assist with gap financing, lot acquisition; down payment; rehabilitation of the unit to be purchased; and closing costs.

Prospective homebuyers must qualify as a First Time Homebuyer under the HUD definition: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This provision is limited to a spouse (if either meets the above test, they are considered first-time*

*homebuyers). A single parent who has only owned with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*

- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:**

SHIP Income Levels	SHIP Maximum Award	HOME Match Maximum Award
Very Low	\$105,000	\$80,000
Low	\$70,000	\$70,000
Moderate and up to 140% AMI	\$55,000	

- e. **Terms:**
  - Loan/grant:** Funds will be awarded as a deferred payment loan secured by a recorded mortgage and note.
  - Interest Rate:** 0%
  - Term:** 30 years
  - Forgiveness/Repayment:** Loan will be forgiven at the end of the term.
  - Default/Recapture:** The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be 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 market value for continued occupancy by income eligible persons.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all available legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria**  
Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details in Section I of this plan.
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
  - Applicants must first secure a first mortgage approval by a lender.
  - If the property is determined to have mold or Chinese drywall, the property is ineligible for purchase assistance.
  - Rehabilitation/Repairs will be performed by a State certified licensed contractor, or a contractor licensed to do business in Palm Beach County. The homeowner must utilize the contractors from the Department of Housing and Economic Sustainability's Residential Repair Program contractor list or contractors on Palm Beach County's Facilities and Operations' contractor list. Applicant may not currently own or have assets exceeding \$200,000 assets, excluding retirement funds.

B.

FIRST MORTGAGE LOAN ASSISTANCE PROGRAM	CODES: 1/2
--	------------

- a.

**Summary of the Strategy:** This strategy will provide first mortgage loan assistance to income eligible households. Maximum loan amounts are based upon established affordability guidelines and creditworthiness, based upon established underwriting guidelines.
- b.

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

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

**Maximum Award:** \$200,000 \$317,647
- e.

**Terms:**

1.

**Loan:** Funds will be awarded as a fixed rate loan secured by a recorded mortgage and note.

2.

**Interest Rate:** Based on 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.

3.

**Term:** 30 years

4.

**Forgiveness/Repayment:** The loan will be amortized over a thirty (30) year period with monthly payment of principal and interest.

5.

**Default/Recapture:** The loan will be determined to be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be 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 market value for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

f.

**Recipient Selection Criteria:**  
Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details in Section I of this plan.

g.

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

h.

**Additional Information:**

•

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

•

If the property is determined 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.
- 8 -
- Palm Beach County LHAP July 2016 – June 2019  
Approved by BCC April 19, 2016; Approved by FHFC June 15, 2016  
Amendment #1 Approved by BCC \_\_\_\_\_, 2018

C.

OWNER OCCUPIED HOUSING REHABILITATION	CODE: 3
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- a. **Summary of the Strategy:** Funding will assist income-eligible owner-occupied applicants (structure of one to two dwelling units) with:
- **Rehabilitation:** Assist with substantial rehabilitation to correct code violations or incipient items that will become a code violation, eliminate housing conditions which threaten the life, health or safety of occupants, connect residents to public utilities, and adapt residences to meet accessibility needs.
  - **Roof Repairs/Replacement:** Assistance will exclusively address deteriorated roofing systems to eliminate substandard or unsafe roofing conditions. In addition, assistance will be provided to homeowners who are at-risk of homeowners' insurance policy cancellation or who have received notice of homeowner's insurance policy non-renewal for their sub-standard/deficient roofs.
  - **Utility Connection:** Funding will assist with:
    - (a). sewer and water connection system fees required by local water utilities; and
    - (b.) costs to install service lines from the meter to the primary residence.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:**

Income Levels	Rehabilitation Maximum Award	Roof Repair /Replacement Maximum Award	Utility Connection Maximum Award
Very Low (0-50% AMI)	\$80,000	\$38,000	\$13,000
Low (51-80% AMI)	<del>\$65,000</del> \$80,000	\$38,000	\$13,000
Moderate (81-140% AMI)	<del>\$50,000</del> \$80,000	\$38,000	\$13,000

\* An eligible household will not be provided more funding than needed to bring the home up to current code and to make the home habitable.

- e. **Terms:**
1. **Loan:** Funding up to \$13,000 will be secured by a deed restriction with no deferred payment provision. Funding exceeding \$13,001 will be awarded as a forgivable loan secured by a recorded mortgage and note.
  2. **Interest Rate:** 0%
  3. **Term:** 15 years – Rehabilitation and Roof Repair/Replacement  
15 years – Roof Repair/Replacement  
5 years – Utility Connection

Funding Award Amounts	Lien	Amortization Period
\$0 – \$13,000	5 years Affordability	Secured by a deed restriction

\$13,001—\$38,000	10 years Affordability	Secured by Mortgage and Note without amortization or deed restriction
\$38,001—\$80,000	15 years Affordability	Secured by Mortgage and Note without amortization or deed restriction

4. **Forgiveness/Repayment:** Loan amount is forgiven at the end of the term.
5. **Default/Recapture:** The loan will be in default or in violation of the deed restriction if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be 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 market value for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all available legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria:**  
Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details Section I. of this plan.
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
  - If the property is determined to have mold or Chinese drywall, the property is ineligible for purchase assistance.
  - Rehabilitation/Repairs will be performed by a State certified licensed contractor, or a contractor licensed to do business in Palm Beach County. The homeowner must utilize the contractors from the Department of Housing and Economic Sustainability's Residential Repair Program contractor list or contractors on Palm Beach County's Facilities and Operations' contractor list.
  - All rehabilitation requires up to 20 percent (20%) contingency set aside from the maximum allowable award, until the project is completed or certificate of completion (or CO) is issued.
  - Applicant may not currently own or have assets exceeding \$200,000 monetary gifts and real estate.
  - 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).
  - Consent will be required from affected multifamily unit owners (i.e. duplex, triplex, etc.) when required work affects multiple owners.

D.

EMERGENCY REPAIRS	CODE: 6
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- a. **Summary of the Strategy:** Funding will provide financial assistance to income eligible owner occupied residences to address emergency conditions such as roofing, electrical, plumbing, or structural repairs. This strategy will only be used for an applicant who has applied for, but will not receive assistance through the housing rehabilitation strategy within the next three months. When an applicant is assisted with emergency repairs, they will not lose their place on the rehabilitation waiting list. However, the amount of funds expended for the emergency repairs will be counted towards the maximum award if the applicant receives subsequent assistance through the rehabilitation strategy and a lien on the assisted dwelling will be placed in accordance with established rehabilitation guidelines. Funds may also be awarded to pay insurance deductibles for any emergency repairs covered by the homeowner’s policy.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$43,000
- e. **Terms:**
  - 1. ~~Loan: Funding up to \$23,000 will be secured by a deed restriction with no deferred payment provision. Funding exceeding \$23,001 will be awarded as a forgivable loan secured by a recorded mortgage and note.~~
  - 2. **Interest Rate:** 0%
  - 3. **Term:** 15 years

Funding Award Amounts	Lien	Amortization Period
\$0 – \$23,000	5 years Affordability	Secured by a deed restriction
\$23,001 – \$43,000	10 years Affordability	Secured by a Mortgage and Note without amortization or deed restriction

- 4. **Forgiveness/Repayment:** Loan amount will be forgiven at the end of the term.
- 5. **Default/Recapture:** The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable..

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be 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 market value for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all available legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria:**  
Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details in Section I. of this plan.
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
  - If the property is determined to have mold or Chinese drywall, the property is ineligible for purchase assistance.
  - Rehabilitation/Repairs will be performed by a State certified licensed contractor, or a contractor licensed to do business in Palm Beach County. The homeowner must utilize the contractors from the Department of Housing and Economic Sustainability’s Residential Repair Program contractor list or contractors on Palm Beach County’s Facilities and Operations’ contractor list.
  - Applicant may not currently own or have assets exceeding \$200,000 monetary gifts and real estate.
  - 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).
  - Consent will be required from affected multifamily unit owners (i.e. duplex, triplex, etc.) when required work affects multiple owners.

E.

REPLACEMENT HOUSING	CODE: 4
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- a. **Summary of the Strategy:** This strategy will provide financing to homeowners residing in dilapidated structures which are beyond rehabilitation. The total funding allocation cannot exceed the current approved LHAP’s maximum home value.  
  
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:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** ~~\$220,000~~ \$317,647
- e. **Terms:**
  1. **Loan/grant:** Funds will be awarded as a deferred payment loan secured by a recorded mortgage and note.
  2. **Interest Rate:** 0%
  3. **Term:** 30 years
  4. **Forgiveness/Repayment:** Loan will be forgiven at the end of the term.
  5. **Default/Recapture:** The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.



In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be 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 market value for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria**  
Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details in Section I. of this plan.
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
  - 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. 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).

F.

<b><u>DISASTER /POST DISASTER/MITIGATION/RECOVERY</u></b>	<b>CODE: 5</b>
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- a. **Summary of the Strategy:** Financial assistance will be awarded to income eligible applicants in need of home repairs directly caused by a disaster that is declared by Executive Order of the United States President or the Governor of the State of Florida. Assistance will be prioritized as follows:
  1. Immediate threats to health and life safety (sewage, damaged windows, roofing) in cases where the home is still habitable.
  2. Imminent residual damage to the home (such as damage caused by a leaking roof) in cases where the home is still habitable.
  3. Repairs necessary to make the home habitable.
  4. Repairs to mitigate dangerous situations (exposed wires)
  5. Purchase of emergency supplies for eligible households to weatherproof damaged homes.
  6. Interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable.
  7. Construction of wells or repair of existing wells where public water is not available.
  8. Payment of insurance deductibles for rehabilitation of homes covered under homeowner insurance and homeowner association policies.
  9. Security deposits and rental assistance by Executive Order, for eligible recipients displaced from their homes due to damage caused by the natural disaster.
  10. Payment for rehabilitation of homes with non-insured repairs
  11. Retrofitting residences with mitigation features (installation of roofing straps, shutters, storm doors, hurricane impact windows and garage doors) that help prevent future storm damage.

- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:**

Income Levels	Maximum Award
Very Low	\$58,000
Low	<del>\$48,000</del> <u>\$58,000</u>
Moderate	<del>\$43,000</del> <u>\$58,000</u>

- e. **Terms:**
  - 1. **Loan/grant:** Funds will be awarded as a deferred payment loan secured by a recorded mortgage and note.
  - 2. **Interest Rate:** 0%
  - 3. **Term:** ~~30 years~~ 15 years
  - 4. **Forgiveness/Repayment:** Loan will be forgiven at the end of the term.
  - 5. **Default/Recapture:** The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be 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 market value for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all available legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria:**
  - Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details in Section I of this plan.
  - Must provide proof of homeowner’s insurance
  - Must file for and use proceeds from insurance as first option
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
  - Funds for disaster mitigation will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the disaster.
  - Applicant may not currently own or have assets exceeding \$200,000 monetary gifts and real estate.

- Rehabilitation/Repairs will be performed by a State certified licensed contractor, or a contractor licensed to do business in Palm Beach County. The homeowner must utilize the contractors from the Department of Housing and Economic Sustainability’s Residential Repair Program contractor list or contractors on Palm Beach County’s Facilities and Operations’ contractor list.

G.

FORECLOSURE PREVENTION	CODE: 7
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- a. **Summary of the Strategy:** Funding will be provided 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:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$18,000
- e. **Terms:**
1. **Loan/grant:** Funds will be secured by a ~~deed restriction~~ recorded mortgage and note.
  2. **Interest Rate:** 0%
  3. **Term:** 5 years
  4. **Forgiveness/Repayment:** Loan amount will be forgiven at the end of the term.
  5. **Default/Recapture:** The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all available legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria:**  
In addition to being selected on a first-qualified, first-served basis, applicants must:
1. Provide proof on the arrearage in the form of notification from the first mortgage lender of applicant’s delinquency and/or intent to foreclose (this cannot be from a private mortgage holder). Verification of applicants’ ability to avoid default by showing that the first mortgage lender is willing to stop foreclosure upon assistance being provided.

2. Provide evidence of a hardship that caused the arrearage (considerable loss of income/employment, death of a household member, divorce, unexpected medical expenses, or unanticipated home repairs or costs associated with increases escrows).
  3. Receive counseling from a HUD approved agency trained in foreclosure counseling. Agency must verify that homeowner has the ability to make future mortgage payments after assistance is received.
  4. Provide written documentation from HUD approved agency showing evidence of the ability to resume making payments after the assistance is used which includes an explanation of how the hardship has been overcome and an indication of the budget plan what will allow for resumption of payments.
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
- Participants can only receive assistance once.
  - Fair Market value of the property may not exceed the established maximum sales price.

**H.**

<b>RENTAL HOUSING ENTRY ASSISTANCE</b>	<b>CODE: 23</b>
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- a. **Summary of the Strategy:** Funding will be provided to individuals or families that are in need of one-time assistance with obtaining a lease agreement on a rental unit and qualify under 420.9072(10). This may include rental security deposits, utility deposits, connection fees, housing stability counseling, and rent equal to no more than twelve (12) months rental payments.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low and Low
- d. **Maximum Award:** \$10,000
- e. **Terms:**
1. **Loan/grant:** Funds will be awarded as a grant with required guarantees from the landlord and SHIP recipient.
  2. **Interest Rate:** N/A
  3. **Term:** N/A
  4. **Forgiveness/Repayment:** N/A
  5. **Default/Recapture:** N/A
- f. **Recipient Selection Criteria:**  
Recipients will be ranked for assistance based on a first-qualified, first-served basis with the priorities established in paragraph I of the Program Details in Section I of this plan. Assistance will be limited to a one time grant per household.
- g. **Sponsor Selection Criteria and Duties:**  
Funding may be awarded through 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:**
  - The Lease Agreement must be at least twelve (12) months

I.

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 to construct or rehabilitate affordable rental units. This funding is intended to be used as gap financing required for project. All SHIP assisted units must be occupied by income eligible families.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low and Low
- d. **Maximum Award:** \$43,000 per unit
- e. **Terms:**
  - 1. **Loan/grant:** Funds will be awarded as a loan secured by a recorded mortgage and note.
  - 2. **Interest Rate:** Rate will be determined through the request for proposal (RFP) process, and will align with the current interest rate at the time.
  - 3. **Term:** Minimum of 15 years and will not exceed a term equal to the primary lender.
  - 4. **Forgiveness/Repayment:** Repayment terms will be determined through the request for proposal (RFP) process. Fees will be established through the RFP process or negotiated.
  - 5. **Default/Recapture:** For all awards, a default will be determined as: sale, transfer, or conveyance of property; conversion to another use; failure to maintain standards for compliance as required by any of the funding sources. If any of these occur, the original loan amount will be due and payable.
- f. **Recipient Selection Criteria:**  
Management of the development will select potential renters for the SHIP assisted units on a first qualified, first served basis. All applicants for residence in a SHIP-assisted unit must meet income qualifications of the program as determined and reported by the developer’s management company for the development.
- g. **Sponsor 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. The RFP will require proof of developer experience in providing affordable rental housing, proof of financial capacity, evidence of site control (or contract for sale), proof of ability to proceed once all funding is closed, and a housing unit design plan that meets with the county’s housing element in the Comprehensive Plan.  
  
The county reserves the right to select developments that meet all the above requirements, and:
  - 1. Are in areas of immediate need due to lack of available units.
  - 2. Propose to preserve and improve existing units.
 All funding awards will be subject to closing on other funding sources.

- h. **Additional Information:**
- Other state, federal, private and local funds are required as SHIP funds will be used as gap financing only
  - Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units.
  - 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.

J.

VETERANS HOMEOWNERSHIP & PRESERVATION PROGRAM	CODES: 1/2/3
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- a. **Summary of the Strategy:**  
Funding will provide 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/repair to correct code violations or incipient items that will become a code violation.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$105,000
- e. **Terms:**
1. **Loan/grant:** Funds will be awarded as a forgivable loan secured by a deed restriction or recorded mortgage and note.
  2. **Interest Rate:** 0%
  3. **Term:**

Funding Award Amounts	Lien	Amortization Period
\$0 - \$15,000	5 years Affordability	Secured by deed restriction or Mortgage and Note
\$15,001 - \$45,000	10 years Affordability	Secured by Mortgage and Note
\$45,001 - \$75,000+	15 years Affordability	Secured by Mortgage and Note

4. **Forgiveness/Repayment:** Loan will be forgiven at the end of the term.
5. **Default/Recapture:** The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable.

In the event of death of the qualifying homeowner(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the original loan amount loan will be 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 market value for continued occupancy by income eligible persons. The seller is prohibited from receiving a financial benefit i.e. no cash out.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through all available legal remedies if it is determined that adequate funds may be available to justify pursuing a recapture.

- f. **Recipient Selection Criteria**
  - Applicants will be ranked for assistance based on a first-qualified, first-served basis.
  - Proof of eligibility is required at the time of application submittal. Veteran must present DD-214 at the time of intake.
- g. **Sponsor Selection Criteria and Duties:** N/A
- h. **Additional Information:**
  - If the property is determined to have mold or Chinese drywall, the property is ineligible for purchase assistance.
  - Rehabilitation/Repairs will be performed by a State certified licensed contractor, or a contractor licensed to do business in Palm Beach County. The homeowner must utilize the contractors from the Department of Housing and Economic Sustainability’s Residential Repair Program contractor list or contractors on Palm Beach County’s Facilities and Operations’ contractor list.
  - Applicant may not currently own or have assets exceeding \$200,000 monetary gifts and real estate.
  - When leveraging with existing State HOME and/or Military Heroes programs the County may subordinate in accordance with established State guidelines.

**K.**

<b><u>SINGLE FMAILY NEW CONSTRUCTION</u></b>	<b><u>CODE: 10</u></b>
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- a. **Summary of the Strategy:**

Funding will be awarded to contractors, Non-profits and For-profit housing developers to construct affordable single-family units for eligible first time homebuyers. Funds can be used for site acquisition, soft costs, site development, infrastructure improvements, demolition, construction and other eligible construction related costs.

There is no minimum or maximum number of units that may be included in an assisted development. Funds will be awarded for a specific number of assisted units.
- b. **Fiscal Years Covered:** 2016-2017, 2017-2018 and 2018-2019
- c. **Income Categories to be served:** Very Low, Low and Moderate
- d. **Maximum Award:** \$317,647 per unit
- e. **Terms:**
  - 1. **Loan/grant:** Funds will be awarded as a repayable predevelopment and/or construction loan secured by a recorded mortgage and note.
  - 2. **Interest Rate:** 0%
  - 3. **Term:** 5 years for the contractor or developer  
30 years for the eligible buyer

4. **Forgiveness/Repayment:** The County will require the developer to execute a restrictive covenant with a 15-year affordability period, mortgage and promissory note. The loan term is five (5) years with repayment deferred until unit sale. Upon the sale of the property by the contractor or developer, the loan will be paid in full and the County will satisfy the promissory note to the developer and tender a recorded satisfaction. Upon the sale of the property by the contractor or developer to an eligible buyer, the buyer will be required to execute a 30-year restrictive covenant, a mortgage (if applicable) and promissory note (if applicable).
  5. **Default/Recapture:** The loan will be in default if the developer does not successfully acquire and construct affordable housing and sell to an eligible homebuyer within the contractual timeframe. The County will recapture the subsidy or property if the housing has not been completed within three (3) years of the date of the recoded Mortgage Agreement.
- f. **Recipient Selection Criteria:** All applicants who purchase a home must meet the qualifications and adhere to the Purchase Assistance strategy.
- g. **Sponsor Selection Criteria and Duties:** Developers will apply to the County through a competitive solicitation process, or be selected by the Board of County Commissioners. Proof of experience in constructing affordable housing, financial capacity to carry out the project, and to provide a housing unit design plan that meets the County's "housing element" in the Comprehensive Plan will be required.
- The County reserves the right to select developments that meet all of the above requirements and:
1. Are in areas of immediate need due to a lack of available affordable units.
- h. **Additional Information:**
- Developers will be required to meet the SHIP program compliance reporting requirements.

### 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.

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**

HES staff may serve as one of the agencies that make up the Development Review Officer (DRO) Committee on an as needed basis. 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.

**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.**

The Palm Beach County Board of County Commissioners approved a list of County owned land that was determined to be suitable for affordable housing. The updated Affordable Housing Inventory (AHI) will be reviewed beginning October 1, 2016, and updated every three years to submit to the BCC for approval.

**D. Name of the Incentive Strategy: IMPACT FEE ASSISTANCE PROGRAM**

The Impact Fee Assistance Program (IFAP) was developed to implement direction by the Palm Beach County Board of County Commissioners (BCC) to secure a funding source for the creation of affordable housing. In November 2009, the BCC authorized utilization of impact fee investment earnings on roads, parks, and public buildings to support affordable housing within Palm Beach County (R2009-2013). Under IFAP, the BCC designates during each budget development process 50% of the investment earnings realized during the prior year on the roads, parks and public building impact fee fund balances, but not to exceed a total of \$3 million annually. Once the Office of Financial Management and Budget establishes the amount of funding available for the IFAP, Department of Housing and Economic Sustainability staff advertises a Notice of Funding Availability (NOFA). The NOFA provides information detailing the amount of funding available and the eligible impact fee zones. Applications are accepted year-round, as long as funds are available. Only those projects that can demonstrate evidence of infrastructure availability and evidence of appropriate zoning can apply. Approved projects must apply for a building permit within one (1) year of approval and be completed within four (4) years. Funds not contracted/awarded to a project within two (2) years and not spent within four (4) years will revert back to the original impact fee type and zone for application to County projects.

**E. Name of the Incentive Strategy: FLEXIBLE DENSITIES FOR AFFORDABLE HOUSING**

The County's Workforce Housing Program (WHP) and Affordable Housing Program (AHP) provide similar opportunities to developers to increase density from 30 up to 100 percent in accordance with the ULDC Article 5.G.1.H.1. (WHP, adopted 2006) and Article 5.G.2.E.1. (AHP, adopted 2010). The County’s Transfer of Development Rights Program (TDR) allows a property owner to achieve a density bonus by purchasing the increase in density in new residential developments within the Urban/Suburban Tier in unincorporated Palm Beach County.

Projects requesting a density bonus greater than 30 percent are required to conduct a sector analysis as described in Article 5.G.1.H of the ULDC. [Ord. 2006-055]

- WHP projects, including relocated WHP units, shall be equitably distributed so that there is no undue concentration of very-low and low income households.
- Table 5.G.1.H, WHP Density Bonus Guide indicates the maximum density bonus permitted and the concentration of very-low and low income housing within a sector will be one factor taken into consideration when determining the maximum density bonus permitted.

Table 5.G.1.H - WHP Density Bonus Guide

% of Very Low & Low Income Households in Sector	> 50%	40-50%	20-40%	0-20%
Maximum Density Bonus (1)	up to 40%	up to 60%	up to 80%	up to 100%
[Ord. 2009-01] [Ord. 2010-005]				
Notes:				
1. The Planning Director may recommend a density bonus in excess of the Maximum Density Bonus where the project serves to mitigate existing very low and low income concentrations by including a mix of higher income market rate units or Medium 1, Medium 2 and Middle Income WHP units. [Ord. 2006-055]				

- Other factors to be considered include:
  - the location of the proposed development and its relationship to the study area;
  - the housing type(s) proposed;
  - if the development site is located within:
    - 1/4 radius of a public park (neighborhood or regional park, not a golf course); civic uses (schools/libraries); a mass transit facility/route; child care facilities; medical facilities; a super market; a community commercial facility; employment opportunities; and
    - 1/2 mile radius of social services; a regional commercial facility; an industrial facility; additional civic uses and employment opportunities.
- Prior to submittal of a WHP pre-application, the applicant shall meet with the Planning Director or designee to establish the sector within which the distribution analysis shall be conducted.
- The boundaries of the sector shall be approved by the Planning Director or designee.
- The maximum density bonus permitted or a bonus in excess of the maximum shall be recommended by the Planning Director or designee. [Ord. 2010-005]

F. **Name of the Incentive Strategy: RESERVATION OF INFRASTRUCTURE CAPACITY FOR HOUSING FOR VERY LOW-INCOME PERSONS, LOW INCOME PERSONS, AND MODERATE INCOME PERSONS**

The County's Workforce Housing Program (WHP) and Affordable Housing Program (AHP) provide identical "traffic performance standards mitigation" opportunities to developers in accordance with the Unified Land Development Code (ULDC) Article 5.G.1.E.2. (WHP, adopted 2006) and Article 5.G.2.D.2. (AHP, adopted 2010). This allows developments with WHP/AHP units to exceed Level of Service D by 30%, increasing the available concurrency for traffic and reserving that traffic for those WHP/AHP developments that need it. Level of Service (LOS) is a measure of the operation of a roadway based upon traffic volumes in relation to road capacity. LOS is represented by the letters A through F with A representing the condition with the least driver delay and F representing conditions with the most driver delay. In general, LOS D describes high-density areas where speed and freedom to maneuver in the roadway is stable but severely restricted.

Traffic Performance Standards (TPS) mitigation for WHP are described in Article 5.G.1.E.of the ULDC and provides for the following:

- WHP Special Methodologies

- TPS mitigation shall be permitted for WHP projects in accordance with County Comprehensive Plan Transportation Element Policy 1.2-d (4). [Ord. 2006-055] [Ord. 2011-016]
- WHP Traffic Concurrency Hall Pass
  - TPS mitigation shall also include the option of applying for a WHP Traffic Concurrency Hall Pass separate from a development order application. The WHP Traffic Concurrency Hall Pass serves as a provisional traffic concurrency approval for a period of not more than 90 days, during which it must be merged into an application submitted for a Concurrency Reservation approval. The WHP Traffic Concurrency Hall Pass is described further in Art. 2.F. [Ord. 2006-055]

The County's Comprehensive Plan Transportation Element Policy 1.2-d acknowledges that under certain limited circumstances dealing with transportation facilities, countervailing planning and public policy goals may come into conflict with the requirement that adequate public facilities be available concurrent with the impacts of such development. The policy further acknowledges that under certain circumstances, lower level of service standards for specific roadway segments and intersections are appropriate. As a result, the Comprehensive Plan Transportation Element Policy provides for lower transportation facilities level of service standard for certain purposes on roadway segments and intersections as described in Policy 1.2-d.4:

- For the public purpose of allowing developments that include Workforce and Affordable Housing units (as defined in Housing Element Policies 1.5-g and 1.5-i) to be constructed, the level of service standard permitted for all housing units beyond the standard density (as defined in Future Land Use Element Table III.C.1) on affected segments and intersections shall be up to 30% above the LOS D volume on those segments and intersections.

**G. Name of the Incentive Strategy: ALLOWANCE OF AFFORDABLE ACCESSORY RESIDENTIAL UNITS IN RESIDENTIAL ZONING DISTRICTS**

Definitions and supplementary standards for specific uses, such as Accessory Dwellings, are included in the County's Unified Land Development Code (ULDC).

According to Article 4.B.1.A.1. (adopted 2005) of the ULDC:

- An accessory dwelling unit is located on the same lot as a principal single family dwelling. An accessory dwelling is a complete, independent living facility equipped with a kitchen and provisions for sanitation and sleeping.
  - Number of Units
    - A maximum of one accessory dwelling may be permitted as an accessory use to a principal single family dwelling unit which is owner occupied. The accessory dwelling may be attached to the principal dwelling or freestanding.
  - Maximum Floor Area
    - On less than one acre: 800 square feet.
    - On one acre or more: 1000 square feet.
    - The floor area calculation shall include only the living area of the accessory dwelling under a solid roof. [Ord. 2005-041]
  - Additional Floor Area
    - Floor area under a solid roof that is utilized as a porch, patio, porte cohere, carport, or garage shall not exceed 500 square feet.
  - Maximum Number of Bedrooms/Baths
    - One bedroom and one bathroom.
  - Compatibility
    - The accessory dwelling shall be architecturally compatible in character and materials with the principal dwelling.
  - Property Development Regulations (PDRs)
    - The accessory dwelling shall comply with the PDRs applicable to the principal dwelling.

- No Separate Ownership
  - The accessory dwelling shall remain accessory to and under the same ownership as the principal dwelling and shall not be subdivided or sold as a condominium.
- Kitchen Removal
  - An agreement to remove all kitchen equipment shall be executed for the dwelling unit prior to the issuance of a Building Permit. The agreement shall require the kitchen to be removed if the principal dwelling is no longer owner occupied.
- No Separate Electrical Service
  - Both the principal single family dwelling and the accessory dwelling shall be connected to the same meter. Separate electric service shall be prohibited. [Ord. 2005-041]

**H. Name of the Incentive Strategy:    REDUCTION OF PARKING AND SETBACK REQUIREMENTS FOR AFFORDABLE HOUSING**

The County's Workforce Housing Program (WHP) and Affordable Housing Program (AHP) provide identical "setback reduction" opportunities to developers in accordance with the Unified Land Development Code (ULDC) Article 5.G.1.E.4.h. (WHP, adopted 2006) and Article 5.G.2.D.4.h. (AHP, adopted 2010). Flexible regulations are described in Article 5.G.2.D.4 of the ULDC and are applicable to:

- Projects with Future Land Use (FLU) designations of:
  - Medium Residential, 5 units per acre (MR-5)
  - High Residential, 8 units per acre (HR-8)
  - High Residential, 12 units per acre (HR-12)
  - High Residential, 18 units per acre (HR-18)
- Projects approved as a Planned Development District (PDD)
- Projects approved as a Traditional Development District (TDD)

Projects with these designations may deviate from the residential requirements of Table 3.D.1.A, Property Development Regulations, or Table 3.D.2.B, Zero Lot Line Property Development Regulations, as follows: [Ord. 2009-040]

- Single Family Dwelling units may be permitted up to a maximum ten percent deviation for the following Property Development Regulations:
  - lot size;
  - width and frontage;
  - building coverage; and
  - side and rear setbacks. [Ord. 2009-040]
- Single Family Dwelling units limited to one floor with no loft or other similar feature, may be permitted up to a maximum 20 percent deviation for the following Property Development Regulations:
  - building coverage; and
  - front and side street setbacks. [Ord. 2009-040]
  - Zero Lot Line lots may be permitted up to a maximum lot width reduction of five feet, and ten percent deviation from the minimum lot size, building coverage, and front setback for units with front loading garages. [Ord. 2009-040]

**I. Name of the Incentive Strategy:    ALLOWANCE OF FLEXIBLE LOT CONFIGURATIONS, INCLUDING ZERO-LOT-LINE CONFIGURATIONS FOR AFFORDABLE HOUSING**

The County's Comprehensive Plan Concentrations of Affordable Housing Policy 1.5 enables the public, private, and not-for-profit sectors to:

- provide affordable housing
- support the distribution of housing for very low, low, moderate and middle income households
- use the Workforce Housing Program (WHP) and the Affordable Housing Program (AHP) to avoid undue concentrations of very low and low income housing through the County

The Unified Land Development Code (ULDC) allows for “Density Bonus Development Options” for both WHP and AHP developments (Article 5.G.1.E.4 a-k and Article 5.G.2.E.4 a-k). Setback deviations are included in certain instances, and zero-lot-line deviations are allowed.