

NAME OF LOCAL GOVERNMENT

MARTIN COUNTY

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

FISCAL YEARS COVERED

2014/2015, 2015/2016, AND 2016/2017



ADOPTED: April 1, 2014
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PROGRAM DESCRIPTION:

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

MARTIN COUNTY

Inter-local: Yes _____ No X

B. Purpose of the Program:

Creation of this Local Housing Assistance Plan (LHAP or the Plan) is for the purposes of meeting the housing needs of the very low, low and moderate income households, to expand production of and preserve affordable housing, and furthering the housing element of Martin County's comprehensive plan specific to affordable housing. Martin County Ordinance 424 created the Local Housing Assistance Program, the Affordable Housing Advisory Committee and the Affordable Housing Trust Fund. There are no changes to the Ordinance to submit at this time. A certification by the County that the LHAP complies with the Housing Element of the Martin County Comprehensive Growth Management Plan is contained in Exhibit D. The various resolutions are contained in Exhibit E.

The effective period of this program will be July 1, 2014 through June 30, 2017. This will cover a three (3) year period that will provide for a continuity of program activities.

This Local Housing Assistance Plan was developed to include program activities that are easily implemented and that reach as many very low, low and moderate income residents and essential services personnel as possible.

The Goals of the Martin County SHIP Program:

- * To provide affordable housing to as many qualified residents and essential service personnel as possible.
- * To provide County residents with safe, decent and affordable new homes.
- * To preserve, upgrade and enhance existing affordable housing through conservation and rehabilitation of existing housing stock.

* To create and maintain partnerships with other agencies whose objective is to improve the quality and quantity of affordable housing in the County.

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

2014/2015

2015/2016

2016/2017

D. Governance:

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code.

The SHIP Program does further the housing element of the Martin County Comprehensive Plan. Cities and Counties must be in compliance with these applicable statutes and rules. Florida Statute requires that the SHIP funds be spent as follows:

- a. Sixty-five percent (65%) of the total funds must be spent on homeownership programs. The remaining thirty-five percent (35%), or any portion thereof, can be used for homeownership programs as well or for other programs that do not require homeownership.
- b. Seventy-five percent (75%) of the total funds must be spent on new construction, rehabilitation, or emergency repairs. The remaining twenty-five percent (25%), or any portion thereof, can be used for other programs that do not require new construction, rehabilitation, or emergency repairs.

In addition, Florida Statute requires that thirty percent (30%) of the funds must serve very low income households and another thirty percent (30%) of funds must serve low income households. The remaining 40% of funds may be spent on any combination of very low, low, or moderate income households. Some of the needs overlap; new construction can be for either homeownership or rental and for low or very low income households. The most important aspect of this program is increasing the availability of affordable housing for the citizens of Martin County.

Martin County will continue strategies that promote homeownership. The majority of the SHIP funding will be awarded to projects that benefit homeownership. If the County receives a proposal under its community based

organization (CBO) strategy to provide rental housing and if the County elects to make an award to provide rental housing through a community based organization or eligible sponsor, no more than twenty-five (25%) of the annual SHIP allocation will be used.

Martin County will continue to focus its efforts on low and very low income households. At least sixty percent (60%) of its funds will serve very low and low income households. The identified strategies are listed in Section II.

Funding for rental projects has been specified in this plan. The maximum amount available for rental projects is \$200,000. Request for funding for rental projects could be available as a matching grant for state or federally funded projects. The requests will be processed through the Housing Program of the Community Services Division for Martin County Board of County Commission approval. Refer to Section VI for procedures.

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.

The Martin/St. Lucie County Lending Consortium (MSLCLC) has been very active in all phases of the SHIP funded strategies. The education committee of the Lending Consortium assists with homeowner training courses. The Lending Subcommittee assists in screening potential SHIP applicants. Members also provide mortgages to SHIP clients. These projects enable various sectors to work together and combine resources to make affordable housing available in Martin County.

There is an active affiliate of Habitat for Humanity, International, Habitat for Humanity of Martin County (Habitat), building homes in Martin County. In all instances the City of Stuart and the County contribute to the efforts of Habitat. SHIP funding aided in the building of several of these homes. Habitat in turn assisted SHIP clients with rehabilitation assistance.

Martin County also has a very active partnership with the United States Department of Agriculture's Rural Development Division. This agency works as a primary lender providing low interest loans to low and very low income households. Also through its single family rehabilitation programs, federal funds are matched with SHIP funds to provide maximum leveraging.

In 1996, Martin County established a partnership with Indiantown Non-Profit Housing, Inc., (INPHI) a designated CDC and CHDO in western Martin County.

This partnership has resulted in greater leveraging of SHIP funds with state, federal and private funds for single family development, multifamily development, and owner-occupied rehabilitation. Indiantown Non-Profit Housing, Inc. is the designated Long Term Recovery Agency for the Disaster Housing Strategy under the Martin County Emergency Management Plan. INPHI is also the Weatherization Assistance Program Provider for Martin, St. Lucie, Palm Beach and Indian River counties, and is a non-profit partner of the My Safe Florida Home Program. INPHI staff was certified in 2007 by Neighbor Works Center for Homeownership Education and Counseling (NCHEC) in Housing Counseling and Foreclosure Prevention.

Martin County is a member of the St. Lucie County Home Consortium and has a consolidated housing plan that includes Martin, St. Lucie and Indian River counties.

F. Leveraging:

This LHAP, in conjunction with the Martin County Comprehensive 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 can 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.

It is the intent of the SHIP program to encourage the leveraging of funds. The County will encourage all recipients of funds to combine resources and develop partnerships with businesses, lending institutions, and federal and state grant or loan 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 also solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

Since June 25, 1996, Martin County has had an active Affordable Housing Advisory Committee (AHAC). In April 2001, the County combined the Citizens Advisory Task Force and the AHAC, creating the existing Grants and Affordable Housing Advisory Committee (GAHAC), an eleven member committee.

Whereas, the Florida Legislature amended Section 420.9076, Florida Statutes, to redefine the membership of affordable housing advisory committees, on August

21, 2008, Martin County Board of County Commissioners determined it necessary to amend the Grants and Affordable Housing Advisory Committee to become the Affordable Housing Advisory Committee.

The Martin County AHAC met to review this LHAP. Meetings were advertised in the local newspaper. On January 16, 2014; February 20, 2014; and March 20, 2014, a draft of this plan was presented to the AHAC for review. The AHAC approved the plan on March 20, 2014. The Martin County Board of County Commissioners approved the plan on April 1, 2014.

H. Advertising and Outreach:

Martin County advertised the notice of funding availability in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

At least thirty (30) days prior to the beginning of any application cycle, the availability of the housing assistance funds will be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods. The advertisement will state the nature of the programs and solicit proposals. There will be a one (1) month application cycle for individual applicants and a two (2) month cycle for Community Based Organizations.

I. Discrimination:

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

Martin County, its agents, contractors, and sub-grantees, whether municipality, non-profit organization or for-profit entity shall not deny assistance to or exclude from participation any person or entity based on race, creed, religion, color, age, sex, family status, national origin, marital status, or handicap.

J. Support Services and Counseling:

Support services are available from various sources. Available support services can include but are not limited to:

Homeownership Counseling (Pre and Post), Credit Counseling,
Tenant Counseling and Transportation

K. Purchase Price Limits:

Purchase Price Limits: The sales price or value of new or existing eligible housing will 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 will 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 will not exceed 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

_____Independent Study (copy attached)

☒ U.S. Treasury Department

_____Local HFA Numbers

The purchase price limit for new and existing homes is

New and Existing Homes: \$346,154

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 and distributed by Florida Housing Finance Corporation. Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed thirty percent (30%) of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), F.S. However it is not the intent to limit an individual household's ability to devote more than thirty percent (30%) of its income for housing, and housing for which a household devotes more than thirty percent (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 thirty percent (30%) benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

To participate in any of the SHIP funded programs, an applicant's gross annual household income must meet the income limits as determined by the United States Department of Housing and Urban Development, adjusted for family size, and as distributed by the Florida Housing Finance Corporation. Income eligibility

is not based on the applicant and the co-applicant's income, but is based on the income of the entire household. Only very low, low and moderate income households will be assisted under this plan.

Income levels will be adjusted annually as new guidelines are made available by the FHFC for FY 2014 thru 2017. Gross income will be based on the current year's estimated income. Per Section 420.9071, (4), Florida Statute, the Annual Gross Income shall be calculated by annualizing verified sources of income for the household as the amount of income to be received in a household during the twelve (12) months following the effective date of determination. The maximum gross income for the household will be determined by the number of family members eighteen (18) and older. Income sources will be determined by HUD Section 8 requirements as adopted by the Florida Housing Finance Corporation. A portion of the cash assets of a moderate income household will be required as a cash match of up to fifty percent (50%) of SHIP awarded funds. The following formula can be used to determine the cash match: Cash assets \$40,000 and over require a fifty percent (50%) cash match, \$30,000 to \$40,000 cash assets require a forty percent (40%) match, \$20,000 to \$30,000 cash assets require a thirty percent (30%) match, \$10,000 to \$20,000 cash assets require a twenty percent (20%) match, \$5,000 to \$10,000 cash assets require a ten percent (10%) cash match, \$5,000 and less requires no cash match.

M. Welfare Transition Program:

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

N. Monitoring and First Right of Refusal:

In the case of rental housing, staff has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides the same monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored for at least annually

for 15 years or the term of assistance whichever is longer unless as specified above.

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

0. Administrative Budget:

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as Exhibit A. These are presented on an annual basis for each State fiscal year submitted.

Martin 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 cannot exceed the five percent (5%) limitation on administrative costs, unless its governing body finds, by resolution, that five percent (5%) of the local housing distribution plus five percent (5%) 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 cannot exceed ten percent (10%) of the local housing distribution plus five percent (5%) of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 can use up to ten percent (10%) of program income for administrative costs.”

Therefore, Martin County by resolution will use up to ten percent (10%), not exceeding ten percent (10%) of the local housing distribution plus five percent (5%) of program income deposited into the trust fund. Martin County has adopted the above findings in the attached resolution, Exhibit E.

P. PROGRAM ADMINISTRATION:

Administration of the local housing assistance plan is the responsibility of Martin County. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program, provide in detail the duties, qualification and selection criteria.

a. Budget:

This budget is for three (3) years according to the state Fiscal Year of 2014/2017. The state fiscal year begins July 1, and ends on June 30. Martin County's fiscal year begins October 1, and ends September 30. Therefore, there will be slight difference between the budgets of the two agencies. See FHFC Housing Delivery Goals Charts in Exhibit C.

The number of households proposed to be assisted in the respective income classification is outlined in the FHFC Housing Delivery Goals Charts in Exhibit C.

If funds within a particular strategy are not being expended in accordance with the timeline, Martin County will transfer those funds into one of the other approved strategies.

The Housing Assistance Trust Fund has been established with a qualified depository for all SHIP funds as well as moneys generated from activities such as interest earned on loans. Amounts on deposit in the Housing Assistance Trust Fund shall be invested as permitted by law. The Housing Assistance Trust Fund shall be separately stated as a special revenue fund in the Martin County audited financial statements. Copies of the audits will be forwarded to the Corporation as soon as available. Revenues accruing from the funds shall revert to the Housing Assistance Trust Fund for further use according to the stated purposes of the fund. Annually, the interest and program income will be distributed proportional to the established percentages for each strategy. SHIP funds will not be pledged for debt service on bonds or used as rental subsidies.

b. Program Administrator:

The Program Administrator or his designee shall be responsible for the following:

1. Administering the Local Housing Assistance Program;

2. Working with the local housing Partnership to monitor the performance of the Program and provide advice and suggestions as to whether and in what ways the Program might be improved from year to year;
3. Assisting the Affordable Housing Advisory Committee to develop their recommendations as required by statute;
4. Coordinating with the Florida Housing Finance Corporation to facilitate the funding of SAIL loans and in setting up advertisement and workshops to advise potential home buyers and the Agency's HAP Programs.
5. Coordinating with the Florida Department of Community Affairs in facilitating awards for the Florida FIX and/or Weatherization Programs;
6. Conducting neighborhood studies to determine housing needs in various communities throughout Martin County;
7. Working with Community Based Organizations to identify community housing needs and developing comprehensive solutions;
8. Developing Request for Proposals for necessary housing projects as identified by previous studies or future neighborhood studies;
9. Coordinating credit counseling programs for SHIP eligible applicants; and.
10. Monitor all organizations receiving funding.

The Martin County Housing Program, Community Services Division shall be the responsible department to oversee the disbursement and accountability for all funds and program activities.

Martin County shall comply with all rules and regulations of the Florida Housing Finance Corporation in connection with the required reporting by the County of compliance with the Local Housing Assistance Program. If, at any time, the County, or any agent, contractor or sub-grantee, is unable to comply with any provision of this Plan, the Florida Housing Finance Corporation will be notified immediately for guidance, direction and assistance, if necessary.

c. Amendments:

The Martin County Board of County Commissioners will amend the plan by resolution. All amendments to the Plan will be forwarded to the FHFC within

twenty-one (21) days of the adoption of the resolution approving the amendment by the County Commission.

Q. Essential Service Personnel

Definition in accordance with Rule Chapter 67-37.002(8) F.A.C. and Chapter 67-37.005 (10), F.A.C. and Section 420.9075(3), FS.

“Essential Services Personnel” means any person in need of affordable housing, who is employed by a company or organization located within Martin County, including, but not limited to, teachers and educators, police and fire personnel, health care personnel and all building trades personnel.

R. Reducing Long Term Costs

In accordance with Section 420.9075(3) (d), F.S., describe initiatives that encourage or require innovative design, green building principles, storm resistant construction or other elements that reduce long term costs relating to maintenance, utilities or insurance.

Martin County will encourage innovative design, green building principles, storm resistant construction and other elements that reduce long term costs relating to maintenance, utilities or insurance in its construction related strategies. The most current Florida Green Building Coalition checklist of green features appropriate for the type dwelling shall be used as a list of options for including affordable green features.

II. LHAP HOUSING STRATEGIES:

The Martin County Local Housing Assistance Plan (LHAP) shall use funds held in the Affordable Housing Trust to provide affordable housing for income eligible households.

A. Name of the Strategy: New Construction

a. Summary of the Strategy:

Assistance will be available to very low, low and moderate income households. Moderate income households will be eligible for up to \$40,000. Very low and low income households will be eligible for up to \$50,000. SHIP funds will be secured with a subordinate mortgage. New construction awards will be approved on a first qualified/first served basis according to income classification. Preference may be given to a SHIP project located within any of the County’s seven (7) established Community Redevelopment Areas (CRA’s) that will leverage those SHIP funds with any other Federal, State, or

local government funding or grant being expended in that CRA. This strategy is targeted for homeownership only.

New construction awards will be approved on a first qualified/first served basis.

This deferred loan program is developed to assist home buyers with the construction of a new home. The applicant must apply during the specified application cycle as advertised by Martin County. Upon verification and certification of the applicant, a recommendation for award of funds will be made if funding is available and if the applicant has the ability to obtain a first mortgage. The award of funds will be made by the County Administrator or his designee. An award letter will be issued to the applicant. The award letter will be active for ninety (90) days. If the applicant does not receive a commitment letter from a lender within the ninety (90) day period, he/she are permitted to apply, in writing, for an extension of the award. This letter must be received by Martin County fifteen (15) days prior to the end of the ninety (90) day period. If the Department receives the letter within this time period, it shall extend the period of activity an additional ninety (90) days.

If a commitment from a lender has not been granted within this additional ninety (90) days, or if the applicant has not timely submitted a written request for an extension, the award of funds will expire. All SHIP applicants must use financial institutions that are a member of the MSLCLC, unless they have been declined by two member institutions.

Upon presentation of documentation confirming that applicant has been declined by two (2) member institutions, that applicant can use any accredited financial institution.

All eligible applicants will be required to attend and complete a Homebuyer Education course prior to the release of funds and contractually comply with the SHIP requirements. The home buyer will be responsible for finding an appropriate lot and for hiring a certified contractor. Priority for this program will be for low and very low income households.

SHIP assistance will only be provided for the purchase or construction of homes consistent with the following requirements:

- a) Must be owner occupied;
- b) the sales price will not exceed ninety percent (90%) of the median area purchase price as established by the US Department of Treasury Limits for

first time home buyers as provided by the Florida Housing Finance Corporation (FHFC); and

- c) The monthly housing costs will be affordable as defined in Florida Statutes 420.907, and local ordinance.

The current average sales prices applicable for Martin County for 2011 is \$346,154 for new and existing houses.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

One hundred percent (100%) of all funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

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

e. Terms of the Award; Recapture and Default.

The funds will be secured by a thirty (30) year, 0% interest mortgage. The principal will be forgiven (100%) at the end of the thirtieth (30th) year. The applicant is required to remain the owner-occupant. If the owner-occupant moves out of the unit prior to the end of the thirty (30) year period, the entire mortgage balance must be re-paid. During the term of this interest free loan, the full amount of assistance will become due on sale, transfer of title, or at such time the unit ceases to be owner-occupied.

In cases where the owner must refinance the home, the new first lender and home owner must submit a request for subordination to the Housing Program Administrator. It is the owner's responsibility to demonstrate, using independent proof, that the refinance will reduce actual housing costs. No cash can go directly to owner. The criteria used to determine the requests approval will be based on whether the mortgage rate is lowered and if the

refinance does, in fact, decrease the homeowner's housing costs. "Housing Costs" include mortgage payments, home improvement loan payments, satisfaction of delinquent mortgage payments and delinquent electric, gas, and water/sewer bills. "Housing Costs" do not include credit card debt, automobile loans, home equity loans, medical expenses or other living expenses. Subordinations will be granted one time only during the life of the SHIP mortgage. Upon recommendation by the Housing Program Administrator and concurrence by the County Attorney, the County Administrator or designee may approve the Subordination and sign any documents necessary to subordinate the mortgage.

In case of the owner's demise during the recapture period, an immediate heir with title or right to title to the property can apply to the County to assume the loan balance. The person must qualify under current County program income and program guidelines. The terms of the loan assumption will be based on program guidelines in effect at the time an application is submitted. Close coordination will be conducted with the lender.

f. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low, low or moderate income.
2. Applicants must purchase, rehabilitate, build or rent a unit within Martin County.
3. All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
4. All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of homeownership.
5. All applicants must be credit-worthy. This is defined as follows:
 - a. Any bankruptcy must be discharged and at least eight (8) months must have passed and the applicant must have a six (6) month history of timely payments on at least two (2) obligations.
 - b. All judgments must be paid off.
 - c. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately.
 - d. All medical collections and debts will be excused.
 - e. Any default of payment more than 36 months old will be excused.

g. If default of payment, collectively, is less than \$5,000 (including collections), they will be permitted.

h. The Housing Manager can review individual credit situations and waive these requirements. This may be done in cases where applicant is making an effort to pay back the bad debt or has worked out an agreement with a counseling agency, such as Consumer Credit Counseling Service, Inc.

These criteria will be used by CBO applicants as well to qualify individuals or households for their CBO projects.

g. Sponsor Selection Criteria and duties, if applicable: Eligible Sponsor means a person or private or public for-profit, not for-profit, or government entity that has approved funding for a development through the Florida Housing Finance Corporation (FHFC). Proposals will be reviewed by Community Development Department staff on a first-come/first served basis, based on the individual circumstances of each project. Award of funds will then need approval from the Affordable Housing Advisory Committee (AHAC) and Board of County Commissioners. Criteria to select eligible Sponsor projects include, but are not limited to the following:

- (1) Proposed development's consistency with Martin County Comprehensive Plan.
- (2) Amount or percentage of private funds leveraged per unit in relation to unit value.
- (3) Development provides housing for Very-Low, Low and Moderate income households, with Very-Low income households targeted where possible.
- (4) Organization's past experience with affordable housing developments.
- (5) Ability of complete project before allocated funds must be expended.
- (6) The development will incorporate green building initiatives and green options in the areas of heating, cooling, water heating, insulation, windows and Energy Star appliances.

h. Additional Information: Contractors are encouraged to use innovative design, green building principles, storm resistant construction and other elements that reduce long term costs relating to maintenance, utilities or insurance in its construction related strategies. The most current Florida Green Building Coalition checklist of green features appropriate for the type dwelling shall be used as a list of options for including affordable green features.

B. Name of the Strategy: Rehabilitation

a. Summary of the Strategy:

Rehabilitating existing housing is a current need in Martin County. A 0% interest deferred payment loan secures the amount of the SHIP funds awarded, not to exceed ~~\$40,000~~ **45,000 including granted Project Delivery costs.** . Repayment of the funds by the recipient to the County is to be made upon the sale of the home. Repayment of the funds is also due if the recipient is no longer the owner-occupant. The awards will be made on a first qualified/first served basis. Preference may be given to a SHIP project located within any of the County's seven (7) established Community Redevelopment Areas (CRA's) that will leverage those SHIP funds with any other Federal, State, or local government funding or grant being expended in that CRA. However, when SHIP Housing Rehabilitation funds are used in conjunction with other state and federal funds (such as Small Cities CDBG) the maximum award per unit will not exceed \$120,000. In addition, the rehabilitation must be at a sufficient level to improve the condition of the home. Partial repairs of severely deteriorated homes will not be eligible when utilizing the SHIP Program funds. However, when SHIP Housing Rehabilitation funds are used in conjunction with other state and federal funds (such as Small Cities CDBG) SHIP funds will be allowed for

demo /replacement where repairs are over 50% of the value of the structure or the unit is structurally unsound as determined by a Housing Rehabilitation Specialist or a program approved Licensed Building Inspector. Priority for this program will be for very low and low income households.

Assistance will be provided to households that meet the income limits as defined by *Florida Statutes* per the SHIP program guidelines.

The rehabilitation must include the correction of serious building deficiencies and aid energy conservation. The primary objective of this strategy is to eliminate code violations and substandard housing conditions including health and safety issues. The deferred payment loan will be available for very low, low and moderate income households. The applicant must apply during the specified application cycle as advertised by Martin County. Additional funds contributed by other sources will be encouraged, including Rural Development loans and grants, or other public or private financing.

The goal of the program is to make improvements which will correct problems that pose an immediate threat to the health, safety, or welfare of the inhabitants or neighbors or will substantially increase the energy efficiency of the dwelling unit. At a minimum, the repairs must provide decent, safe, and

sanitary residential units that are designed to the standards of Chapter 553, Florida Statutes, Section 8 Housing Quality Standards, Florida Residential Building Code and applicable local building codes.

The following is a partial list of the types of improvements that would be eligible under the program:

1. The correction of an inadequate electrical service and/or wiring which presents a hazard of fire or shock of electrocution.
2. The correction of leaking or inadequate water supply and/or septic systems which presents a health hazard when the total of other approved repairs exceed \$1,500.
3. The correction of inoperable, leaking or otherwise grossly inadequate windows and doors which make proper heating and cooling of the dwelling unit(s) impossible at a reasonable cost to the owners.
4. The improvement of the roof, walls, ceiling, floors, or other structural elements which are in danger of collapse because of cracking, shifting, etc., or which leak moisture or air in a manner that affects the health of the occupants.
5. The replacement of heating and cooling units or systems which are inadequate to properly heat and cool the dwelling unit(s) or present fire or other health or safety hazards.
6. The provision of insulation to a structure which is not now insulated.
7. The correction or removal of unsafe stairs or porches.
8. The cost of permits and related fees required by the County or municipalities to accomplish the improvements.
9. Any other improvements deemed eligible and appropriate to meet SHIP program goals as determined by the Program Administrator or designee.
10. Improvements to make structures accessible for handicapped members of household.
11. Demolition and one for one replacement of units that are deemed infeasible for rehabilitation of the original structure AND where leverage funds (CDBG, USDA, HOME, etc.) are available and sufficient to complete the project and comply with all SHIP program requirements.

SHIP funds will not be used to make improvements that do not contribute to the health, safety, and well-being of the occupants; or that do not materially contribute to the structural integrity or long term preservation of the unit. Painting, paneling, and carpeting are not subject to this limit if done to cover newly installed material.

The awarding of funds will be made by the Program Administrator. The Program Administrator shall make the final determination and recommendation for approval, and consider additional factors when determining the cost-feasibility of rehabilitating the unit (such as cost that might exceed the appraised value of the finished unit). The amount of funding award will not necessarily be the maximum allowed and will be adjusted based upon additional factors (such as the actual need for gap financing) as demonstrated by the applicant. The Program Administrator will reject an application for a unit whose cost is within the program maximums, but exceeds the available funds including SHIP assistance. In the event that an applicant meets all program qualification guidelines for Rehabilitation but program funds are not available to fund the unit's rehabilitation, then the application shall be rejected and the applicant shall be notified of the next application cycle and encouraged to apply for funding at such time.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

One hundred percent (100%) of funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

d. Maximum award: ~~\$40,000~~ **45,000 including granted Project Delivery costs.**

e. Terms of the award; Recapture and Default.

For all funds, the amount awarded will be secured by a note and mortgage on the unit filed by Martin County. The duration of the lien will be determined

by the amount of funds awarded. For every \$2,000 awarded by Martin County, the time of the lien or mortgage will be for one (1) year. The lien or mortgage will be forgiven by \$2,000 every year so long as the recipient remains the owner-occupant. However, when SHIP Housing Rehabilitation funds are used in conjunction with other state and federal funds (such as Small Cities CDBG) the term of the loan will follow Housing Assistance Plan & Procedures (UHAP) guidelines. It is the County's intention to forgive the loan over this period with only the portion of the unforgiven amount due on sale if the home is sold or if the unit ceases to be owner-occupied before the loan term has expired, during the term of this interest free loan.

In cases where the owner must refinance the home, the new first lender and home owner must submit a request for subordination to the Program Administrator. It is the owner's responsibility to demonstrate, using independent proof, that the refinance will reduce actual housing costs. No cash can go directly to owner. The criteria used to determine the requests approval will be based on whether the mortgage rate is lowered and if the refinance does, in fact, decrease the homeowner's housing costs. "Housing Costs" will include mortgage payments, home improvement loan payments, satisfaction of delinquent mortgage payments and delinquent electric, gas, and water/sewer bills. "Housing Costs" do not include credit card debt, automobile loans, home equity loans, medical expenses or other living expenses. Subordinations will be granted one time only during the life of the SHIP mortgage. Subordinations will not be granted in cases of a reverse mortgage. In cases of a reverse mortgage the SHIP mortgage must be paid off. Upon recommendation by the Housing Program Administrator and concurrence by the County Attorney, the County Administrator or designee may approve the Subordination and sign any documents necessary to subordinate the mortgage.

In case of the owner's demise during the recapture period, an immediate heir with title or right to title to the property can apply to the County to assume the loan balance. The person must qualify under current County program income and program guidelines. The terms of the loan assumption will be based on program guidelines in effect at the time an application is submitted. Close coordination will be conducted with the lender.

f. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low, low or moderate income.
2. Applicants must purchase, rehabilitate, rent or build a unit within Martin County.
3. All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
4. All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of homeownership.
5. All applicants must be credit-worthy. See II.A.f.5 for credit-worthy definition.

These criteria will be used by CBO applicants as well to qualify individuals or households for their CBO projects.

g. Sponsor Selection Criteria and duties, if applicable:

Eligible Sponsor means a person or private or public for-profit, not for-profit, or government entity that has approved funding for a development through the Florida Housing Finance Corporation (FHFC). Proposals will be reviewed by Community Development Department staff on a first-come/first served basis, based on the individual circumstances of each project. Award of funds will then need approval from the Affordable Housing Advisory Committee (AHAC) and Board of County Commissioners. Criteria to select eligible Sponsor projects include, but are not limited to the following:

- (1) Proposed development's consistency with Martin County Comprehensive Plan.
- (2) Amount or percentage of private funds leveraged per unit in relation to unit value.
- (3) Development provides housing for Very-Low, Low and Moderate income households, with Very-Low income households targeted where possible.
- (4) Organization's past experience with affordable housing developments.
- (5) Ability of complete project before allocated funds must be expended.
- (6) The development will incorporate green building initiatives and green options in the areas of heating, cooling, water heating, insulation, windows and Energy Star appliances.

h. Additional Information: Contractors are encouraged to use innovative design, green building principles, storm resistant construction and other elements that reduce long term costs relating to maintenance, utilities or insurance in its construction related strategies. The most current Florida Green Building Coalition checklist of green features appropriate for the type

dwelling shall be used as a list of options for including affordable green features.

C. Name of Strategy: Down Payment and Closing Cost Assistance

a. Summary of the Strategy:

The down payment and closing cost assistance strategy plays a role in providing affordable housing in Martin County. In as much as the majority of new homes being built in Martin County are not within the price range of the identified income groups, the availability of existing homes in the appropriate price range does meet some of the affordable housing needed for Martin County. Awards will be granted on a first qualified/first served basis according to income classification.

SHIP funds can be used to offset the costs of down payment, closing and other acquisition fees for very low, low and moderate income households. Up to ~~\$30,000~~ **35,000 including granted Project Delivery costs** will be offered to moderate income households in the form of a 0% interest deferred payment loan secured by a thirty (30) year note. Very low and low income households will be eligible for up to ~~\$50,000~~ **55,000 including granted Project Delivery costs**, with the same terms. This recapture provision is intended to be the same as the recapture provision for New Construction strategy. The monthly housing costs must not exceed thirty percent (30%) of the area's median gross income adjusted for family size. However, it is not the intent to limit an individual household's ability to devote more than thirty percent (30%) of its income for housing. Housing for which a household devotes more than thirty percent (30%) of its income shall be deemed affordable if the institutional first mortgage lender is satisfied that the household can afford mortgage payments in excess of the thirty percent (30%) benchmark. The applicant must apply during the specified application cycle as advertised by Martin County. Upon verification and certification of the applicant, a recommendation for award of funds will be made if funding is available and if the applicant has the ability to obtain a first mortgage.

The award of funds will be made by the Program Administrator, who shall make the final determination and recommendation for approval in terms of affordability, fair appraised value, and financial reasonableness for the applicant before award of any funds. The Program Administrator will take into consideration measures and mechanisms including but not limited to: monthly housing cost affordability utilizing the thirty percent (30%) benchmark of gross income for all mortgage costs combined (taxes and

insurance included); achieving a favorable loan-to-value ratio with adequate equity in the home to cover the SHIP mortgage; the affordability of the unit's location for the applicant as it relates to matters such as costs associated with commuting, the available services in the area, schools, child care costs, etc. The amount of funding award will not necessarily be the maximum allowed and will be adjusted based upon actual need for gap financing and down payment needed to make the closing. The Program Administrator will also reject an application for a unit whose cost is within the program maximums, but exceeds the available funds including SHIP assistance.

An award letter will be issued to the applicant. The award letter will be active for ninety (90) days. If a commitment from a lender has not been granted within ninety (90) days, the award will expire. The applicant will be encouraged to apply during the next funding cycle. All SHIP applicants must use financial institutions that are a member of the MSLCLC, unless they have been declined by two member institutions.

All awarded applicants must qualify for a mortgage, attend and complete a Homebuyer Education course, and contractually comply with the SHIP requirements. Priority for this program will be for very low and low income households.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

One hundred percent (100%) of funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

d. Maximum award is noted on the Housing Delivery Goals Charts ~~Moderate \$35,000 and Low, Very Low \$55,000 including granted Project Delivery costs.~~

e. Terms of the award; Recapture and Default.

The funds are secured by a fifteen (15) year mortgage. The

principal shall be reduced one –third (1/3) at the end of every five years. At the end of the fifteenth (15) year, the principal shall be forgiven one hundred percent (100%).

The applicant is required to remain the owner-occupant. If the owner-occupant moves out of the unit prior to the end of the fifteen-year period, the entire mortgage amount must be paid. During the term of this 0% interest loan, the full amount of assistance will become due upon sale, transfer of title, or at such time the unit ceases to be owner-occupied.

In cases where the owner must refinance the home, the new first lender and home owner must submit a request for subordination to the Program Administrator. It is the owner's responsibility to demonstrate, using independent proof, that the refinance will reduce actual housing costs. No cash may go directly to the owner. The criteria to determine the requests approval shall be based upon a reduction in the mortgage rate and in the homeowner's housing cost. "Housing Costs" will include mortgage payments, home improvement loan payments, satisfaction of delinquent mortgage payments and delinquent electric, gas, and water/sewer bills. "Housing Costs" do not include credit card debt, automobile loans, home equity loans, medical expenses or other living expenses. Subordinations will be granted one time only during the life of the SHIP mortgage. Upon recommendation by the Housing Program Administrator and concurrence by the County Attorney, the County Administrator or designee may approve the Subordination and sign any documents necessary to subordinate the mortgage.

In case of the owner's demise during the recapture period, an immediate heir with title or right to title to the property may apply to the County to assume the loan balance. The person must qualify under current County program income and program guidelines. The terms of the loan assumption will be based on program guidelines in effect at the time an application is submitted.

f. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low, low or moderate income.
2. Applicants must purchase, rehabilitate, build or rent a unit within Martin County.

3. The appraised value of the unit must be greater than or equal to the unit's actual purchase price.
4. All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
5. All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of homeownership.
6. All applicants must be credit-worthy. See II.A.f.5 for credit-worthy definition.

These criteria will be used by CBO applicants as well to qualify individuals or households for their CBO projects.

g. Sponsor Selection Criteria and duties, if applicable:

h. Additional Information: N/A

D. Name of the Strategy: Emergency Assistance

a. Summary of the Strategy:

This strategy provides grant funds for weatherization or emergency repairs, or immediate minor repairs for very low, low and moderate income households consistent with Chapter 553 of the Florida Statutes. The eligible repairs will be of the same scope listed under the Rehabilitation strategy. Awards of up to ~~\$20,000~~ **25,000 including granted Project Delivery costs.** will be granted on a first qualified/first served basis. The award amount includes all program costs, such as inspection fees and permit fees, in addition to the actual cost of labor and material. Applications will be accepted until all funds are spent.

The emergency assistance award will be matched with volunteer labor if done in conjunction with a qualified sponsor such as United Way, Habitat for Humanity, Indiantown Non-Profit Housing Inc., or local churches and neighborhood groups. It is possible for the cost of write-ups to be waived if the inspection is performed by a qualified volunteer and sponsored by one of the above mentioned agencies. The scope of work must be submitted as part of the application, and must be approved by the Program Administrator or designee. Materials for repairs must be supported by three (3) written quotes. Martin County will use SHIP funds to pay directly for the materials or services on behalf of the applicant. A "qualified volunteer" is an individual who has the technical expertise to provide the required services.

This strategy is also intended to assist in the payment of impact fees and special property improvement assessments. Additional grant funds can also be combined with the SHIP funds. Eligible applicants will be encouraged to apply for additional funds, if available, from Habitat for Humanity and Indiantown Non-Profit Housing Inc. and other non-profit organizations, including the Weatherization program or the Rehabilitation programs offered by the US Department of Agriculture's Rural Development.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

One hundred percent (100%) of funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

**d. ~~Maximum award is noted on the Housing Delivery Goals Charts. \$25,000~~
including granted Project Delivery costs.**

e. Terms of the award; Recapture and Default.

This strategy will be a grant with no repayment of funds required.

f. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low, low or moderate income.
2. Applicants must purchase, rehabilitate, build or rent a unit within Martin County.
3. All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
4. All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of

homeownership.

5. All applicants must be credit-worthy. See II.A.f.5 for credit-worthy definition.

These criteria will be used by CBO applicants as well to qualify individuals or households for their CBO projects.

- g. Sponsor Selection Criteria and duties, if applicable:**
- h. Additional Information:** Contractors are encouraged to use innovative design, green building principles, storm resistant construction and other elements that reduce long term costs relating to maintenance, utilities or insurance in its construction related strategies. The most current Florida Green Building Coalition checklist of green features appropriate for the type dwelling shall be used as a list of options for including affordable green features.

E. Name of the Strategy: Sewer and Drinking Water Hookup

a. Summary of the Strategy:

This strategy allows the County to help low and very low income persons pay the capital facilities reservation fees necessary to hook up their residences to a new sewer or drinking water service. This strategy will be a grant with no repayment of funds required. The per unit maximum award will be \$3,500.

Occupants must meet SHIP income qualifications in accordance with Florida Statute 420.907-9079. Only households eighty percent (80%) of median income or below will be eligible.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

One hundred percent (100%) of all funds must serve households of very low and low income with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low and low income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

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

e. Terms of the award; Recapture and Default.

This strategy will be a grant with no repayment of funds required.

f. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low and low income.
2. Applicants must purchase, rehabilitate, build or rent a unit within Martin County.
3. All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
4. All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of homeownership.
5. All applicants must be credit-worthy.

g. Sponsor Selection Criteria and duties, if applicable:

h. Additional Information: N/A

F. Name of the Strategy: Disaster Relief

a. Summary of the Strategy:

This strategy is established in cases of a Federal, State or declared disaster as declared by Executive Order. Procedures and guidelines will follow those of the Rehabilitation Strategy. The maximum award amount per eligible household will be \$40,000. For all receipts of funds, the amount awarded will be secured by a lien or mortgage on the unit and filed by Martin County. The duration of the lien will be equal in years, to the amount of funds awarded. For every \$2,000 awarded by Martin County, the time of the lien or mortgage will be for one (1) year. The lien or mortgage will be forgiven by \$2,000 every year so long as the recipient remains the owner-occupant. It is the County's intention to forgive the loan over this period with only the portion of the unforgiven amount due on sale if the home is sold or if the unit ceases to be owner-occupied before the loan term has expired, during the term of this

0% interest loan. All applicants must qualify as very low, low or moderate income households. Priority will be given to low and very low income households. Applicants will be selected on a first come first qualified basis as funding is available.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

One hundred percent (100%) of all funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

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

e. Terms of the award; Recapture and Default. For all receipts of funds, the amount awarded will be secured by a lien or mortgage on the unit and filed by Martin County. The duration of the lien will be equal in years, to the amount of funds awarded. For every \$2,000 awarded by Martin County, the time of the lien or mortgage will be for one (1) year. The lien or mortgage will be forgiven by \$2,000 every year so long as the recipient remains the owner-occupant. It is the County's intention to forgive the loan over this period with only the portion of the unforgiven amount due on sale if the home is sold or if the unit ceases to be owner-occupied before the loan term has expired, during the term of this 0% interest loan.

In case of the owner's demise during the recapture period, an immediate heir with title or right to title to the property can apply to the County to assume the loan balance. The person must qualify under current County program income and program guidelines. The terms of the loan assumption will be based on program guidelines in effect at the time an application is submitted. Close coordination will be conducted with the lender.

f. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low, low or moderate income.
2. Applicants must purchase, rehabilitate, build or rent a unit within Martin County.
3. All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
4. All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of homeownership.
5. All applicants must be credit-worthy. See II.A.f.5 for the credit-worthy definition.

g. Sponsor Selection Criteria and duties, if applicable:

- h. Additional Information:** Contractors are encouraged to use innovative design, green building principles, storm resistant construction and other elements that reduce long term costs relating to maintenance, utilities or insurance in its construction related strategies. The most current Florida Green Building Coalition checklist of green features appropriate for the type dwelling shall be used as a list of options for including affordable green features.

G. Name of the Strategy: Multi-Family Rental Housing Development

a. Summary of the Strategy:

This program is designed to assist non-profit or for-profit developers with the construction and/or rehabilitation of multi-family housing units to rent to low, very low income households. These rental development projects can be undertaken with a local Community Housing Development Organization (CHDO) or a 501(c) (3) non-profit affordable housing sponsor or with a non-profit or private for-profit developer in conjunction with the annual Florida Housing Finance Corporation (FHFC) Universal Cycles, annual HUD Section 202/Section 811 cycles, Rural Development/USDA (RD) rental preservation/development cycles, or other publicly announced funding cycles as offered by FHFC or Federal agencies for the preservation or development of rental housing.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

c. Income Categories to be served:

At least 80% of the rental units preserved or developed through this strategy

must be occupied by low income households and at least 10% of the households must be very low income. Not more than 20% of the aggregate units preserved or produced can be occupied by households with incomes between 80% and 120% of median income.

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

The maximum award level for this strategy is \$50,000 per unit.

e. Terms of the award: Recapture and Default:

A deferred payment loan at 0% with a 20-year term, forgivable in annual increments (5%) over the full term of the mortgage assuming compliance with all SHIP requirements (as applicable) by the Sponsor Agency, will be the typical form of assistance. If underwriting confirms that the Sponsor has adequate repayment capacity, the County reserves the option of providing a below market interest rate to the Sponsor. The loan shall be secured by mortgage and note. Maximum term is 20 years, unless a longer term is specifically required by HUD, FHFC, USDA, or other primary lender as a condition for project financing. As defined in the applicable mortgage and note, full recapture of SHIP funds invested is required upon default, unless a forgiveness provision (depreciating balance) is incorporated into the mortgage and note in which case the un-depreciated portion shall be due and payable upon default.

A restrictive covenant will also be recorded to ensure that the units remain affordable for the prescribed period of time. A rental limit chart, adjusted for bedroom size, will be provided by the FHFC. The County will monitor the assisted units, annually, for a period of 15 years, or for the term of affordability, whichever is longer. Monitoring will ensure compliance with tenant income and affordability requirements pursuant to Rule 67-37.007 F.A.C. For FHFC financed projects that also receive local SHIP support, occupancy, rent, and housing quality compliance documentation secured by FHFC or its contract monitor shall be deemed acceptable in meeting this requirement.

The sale of properties assisted with SHIP shall require approval of the Board of County Commissioners and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy, and affordability obligations in the development agreement, mortgage, and note. Under the SHIP program, assisted rental properties offered for sale prior to the end of the term of assistance must be subject to a right of first refusal for

purchase at the current market value by eligible non-profit organizations that agree to provide continued occupancy by SHIP eligible persons.

f. Recipient Selection Criteria:

Applications from potential Sponsors will be accepted continually and will be reviewed for eligibility by the County staff and the AHAC committee to determine the Sponsor's ability to implement the project. Final selection and contract approval will be provided by the Board of County Commission.

g. Sponsor Selection Criteria:

Applications from potential Sponsors will be reviewed on an ongoing basis. Sponsors used to implement this strategy will be selected based on criteria including, but not limited to, the following:

- Consistency of the project with the basic housing goals and objectives of the County
- The financial strength of the Sponsor
- The ability of the Sponsor to complete the project by the deadlines established by the County
- The capacity of the Sponsor
- The level of experience in affordable housing development
- Proof of site control
- Willingness of the Sponsor to contractually commit to SHIP and other County requirements
- Agreement to select tenants on the basis of compliance with all eligibility requirements imposed by the program

- h. Additional Information:** Contractors are encouraged to use innovative design, green building principles, storm resistant construction and other elements that reduce long term costs relating to maintenance, utilities or insurance in its construction related strategies. The most current Florida Green Building Coalition checklist of green features appropriate for the type dwelling shall be used as a list of options for including affordable green features.

H.

Name of the Strategy: Foreclosure Prevention

a. Summary of the Strategy:

To assist individual eligible homeowners in avoiding foreclosure of their primary residence and assist them in retaining their home. Up to three (3) months of assistance can be provided directly to the primary lender on behalf of the homeowner. Prior to receiving assistance, the homeowner must obtain budget counseling by a certified housing counseling agency which results in a workable budget plan indicating the loss of the home is not imminent. A copy of the budget plan from the housing counseling agency indicating the loss of the home is not imminent must be provided to the Program Administrator. The cost for counseling, if any, can be covered by SHIP.

b. Fiscal Years Covered: 2014/2015, 2015/2016, 2016/2017

b. Income Categories to be served:

One hundred percent (100%) of all funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

c. Maximum award is noted on the Housing Delivery Goals Charts.

d. Terms of the award; Recapture and Default.

This strategy will be a grant with no repayment of funds required.

e. Recipient Selection Criteria:

The following criteria must be met by all applicants requesting assistance:

1. Income level cannot exceed very low, low or moderate income.
2. The applicant must show their ability to continue to maintain their mortgage payments after assistance is given.
3. Foreclosure prevention applicants must show that the nonpayment of their mortgage is due to the following eligible reasons:

- a. Loss of employment
 - b. Sudden medical expenses
 - c. Divorce or separation
 - d. Death in the family
 - e. Unforeseen home repair bills
 - f. Underemployed – whereby an applicant’s work hours have been forgiven
4. The applicant must undergo credit counseling.
- f. Sponsor Selection Criteria and duties, if applicable:**
- g. Additional Information:** N/A

I. Name of the Strategy: Rental Assistance/Eviction Prevention Assistance.

- a. Summary of Strategy:** This strategy enables the County to assist low and very low income persons in rental households that are in need of assistance for: (1) security and utility deposit assistance; (2) rental eviction prevention for up to 6 months; and (3) rent subsidy program for very-low-income households with at least one adult who is a person with special needs as defined in S.420.0004 or homeless as defined in S.420.621. The period of rental assistance may not exceed 12 months for any eligible household.

The following categories maybe combined as follows:

Category 1 & 3 can be combined

Category 1 & 2 can be combined

(The 3rd category, rental subsidies, is restricted to very low income applicants only).

- b. Fiscal Years Covered:** 2015/2016, 2016/2017
- c. Income Categories to be served:** Very low income, Low income
- d. Maximum award:** \$12,516.00

e. Terms of the award: Recapture and Default.

This strategy will be a grant with no repayment of funds required.

f. Recipient Selection Criteria: Applicants served on a first-qualified, first-served basis.

(a) To be eligible for rent subsidies, Martin County requires the household receiving assistance must include at least one adult who is a person with a disabling condition as defined as a diagnosable substance abuse disorder, serious mental illness, developmental disability or the co-occurrence of two or more of these conditions and a determination that the condition is:

- a. Expected to be of long continued and indefinite duration; and
- b. Not expected to impair the ability of the person with special needs to live independently with appropriate supports or homeless as defined in S.420.621

g. Sponsor Selection Criteria and Duties, if applicable: N/A

h. Additional Information: The lease must be at least twelve months in duration.

III. LHAP INCENTIVE STRATEGIES: As provided in 420.9076(4) F.S.

This strategy contains incentives in place for affordable housing and are intended to facilitate the provisions for safe affordable housing stock, consistent with the housing element of the Martin County Comprehensive Growth Management Plan.

A. Name of the Strategy: Expedited Development Review and Permitting

Martin County has in place expedited review and accelerated permitting for affordable housing units. The expedited affordable housing review provisions of Article 10 the County's Development Review Procedures, Section 10.12.D, implements this policy. The Community Services Division has the oversight responsibility of this provision and works with other departments and affordable housing providers to insure the process goes smoothly. The County also provides for the deferment of impact fees until Certificate of Occupancy (CO) for all affordable housing units. This deferment can be applied for up to fifteen (15)

years.

B. Name of the Strategy: Established Process to Review Procedures That Have a Significant Impact on the Cost of Housing

Martin County currently has an active Affordable Housing Advisory Committee (AHAC). Part of the duties and responsibilities of the committee is to review established policies and procedures, ordinances, land development regulations and elements of the Comprehensive Plan that have an impact on affordable housing. This committee meets quarterly or more frequently if needed to consider recommendations to the Board of County Commissioners on issues that affect affordable housing.

VI. PROGRAM REQUIREMENTS

- A. Sixty-five percent (65%) of the funds must be reserved for homeownership.
- B. Seventy-five percent (75%) of the funds must be reserved for construction, rehabilitation, or emergency repair of affordable housing.
- C. Sales price of new and existing homes cannot exceed ninety percent (90%) of the average area purchase price as established by the US Department of Treasury Revenue Proclamation 2013-28, as distributed by the Florida Housing Finance Corporation (FHFC) for existing homeowners. The current average sales price for Martin County for 2013 is \$384,615 for existing homeowners and first time homebuyers, per Proclamation 2013-28.
- D. One hundred percent (100%) of all funds must serve households of very low, low or moderate income, with a minimum of thirty percent (30%) of all funds serving households of very low income and a minimum of thirty percent (30%) of all funds serving households of low income. The definition of very low, low and moderate income as established by Section 420.9071, Florida Statute is:

Very low income -- 50% or less of median income;

Low income -- 51% to 80% of median income.

Moderate income -- 81% to 120% of median income.

Martin County shall use the most current income limits as determined by the United States Department of Housing and Urban Development, adjusted for family size, and as distributed by the Florida Housing Finance

Corporation. Martin County will service moderate income to one hundred twenty (120%), of median income as allowed by the State.

- E. All applicants must apply during the advertised application cycle, and must submit a complete application. Incomplete applications will not be considered.
- F. Loans shall generally not exceed thirty (30) years except for deferred project loans or loans that extend beyond thirty (30) years which continue to serve eligible persons.
- G. Rental housing constructed, rehabilitated or otherwise assisted from the housing assistance program is reserved for eligible persons for thirty (30) years or the term of assistance, whichever period is longer. Eligible sponsors who offer rental housing for sale before the thirty (30) year period expires and who have remaining mortgages funded under this program must give first right of refusal to eligible not-for-profit organizations for purchase at the current market value for continued occupancy by eligible recipients.
- H. Recapture provisions can be imposed as a condition of an award of funds.
- I. Support services shall include staff assistance in proposal development, and technical assistance in blending and matching programs as appropriate.
- J. SHIP funds will not be pledged for debt service on bonds or used as rental subsidies, nor shall they be used for mobile homes.

VII. APPLICATION PROCESS - APPLICATION CYCLE TO BE A SPECIFIED TIME

- A. The County will advertise that assistance will be available for the four strategies: new construction, rehabilitation, down payment assistance and emergency assistance thirty (30) days prior to the opening of the application cycle. Homeownership classes which cover home buying, credit counseling, and program overview will be offered by the Lending Consortium as needed for funding year. All eligible first time home buyers must attend a class in order to receive SHIP funds. An application package containing the various program descriptions (including income guidelines and description of application period) and application will be distributed.
- B. Prospective participants are advised of the program details and an application is submitted during the advertised time. The applicant will be required to submit a complete application and to provide copies (no

originals) of the following: proof of income for the previous year (income tax forms and W2s); one month of current pay stubs; three months of bank statements; award letters indicating gross income from social security, disability, etc.; if applicable, proof of homeownership for rehabilitation and emergency repair applicants; disclosure of all assets; and any other information as required to meet the certification and

verification requirements as established by the Florida Housing Finance Corporation. Upon verification and certification, the application will be recommended for award of funds if funding is available and if the applicant has the ability to obtain a first mortgage. The award of funds will be made by the County Administrator or his designee, after which an award letter will be issued to the applicant. The award letter will be active for ninety (90) days. If a mortgage commitment from a lender is not received within ninety (90) days, the award will cease and the applicant can reapply during the next funding cycle. Extensions can be granted if a written request is submitted by the lender and the awardee.

The County and/or SHIP Program Administrator will review applications received for a specific fiscal year funding and will rank the applications based on random selection of applications submitted during a one (1) month period. Applications will be accepted from mid-September and will close thirty (30) days later in October. This list using random ranking will also take into consideration income categories to insure that the Program persons served are at least thirty percent (30%) very low income and at least thirty percent (30%) low income. Applications will remain on the rank list until the applicant has been assisted or until all of the annual funds are expended. The Program Administrator can choose to extend this list for an additional year if a sufficient number of un-serviced applications remain on the list.

- C. For the rehabilitation program and the emergency repair assistance program, an independent property inspection will be conducted by the County to assess the range of improvements necessary and eligible, a work program is prepared in order to prioritize eligible items. For rehabilitation, the County will assign the job to a contractor who has been retained to perform rehabilitation work for the SHIP program. For Emergency Assistance, the owner or the County, on the owner's behalf, will secure three (3) bids on the work items. Funds will be expended to the contractor on behalf of the owner, once the approved work is completed in accordance with the work program and the draw schedule.

VIII. **PROCEDURES**

A. **Community Based Organizations/Eligible Sponsors**

A Community Based Organization or Eligible Sponsor can apply for SHIP funds during the Community Based Organization application cycle. The following documentation will be required to qualify for SHIP funds:

- The number, size, and price of the units to be constructed;
- The percentage of SHIP funds required per unit and source of other funds
Per unit (total unit cost and total project cost);
- Recapture provisions (how SHIP funds will be repaid);
- Length of project (starting date, and timeline with projected completion
Date);
- Number of households by income level to benefit and how those households
will be identified;
- How the project was developed to be a competitive proposal (bid process);
- Monitoring procedures (this will be a contractual commitment between the
Applicant and County for a minimum of thirty (30) years); and
- has developed a qualification system and selection criteria for applications for
Awards to eligible persons, which includes a description that demonstrates
how eligible sponsors that employed personnel from the Welfare
Transition and Workforce Development Initiatives programs will be given
preference in the selection process, adopted criteria for selection consistent
with the intent and budget of its local housing assistance plan, in
accordance with Florida Statue Sections 420.907- 420.9079.

Documentation regarding the agency's experience and organization must be provided. This includes current and past financial records and audits. A listing of the names of Board members and members of the organization must be submitted. Proposed projects with a greater leverage of the SHIP funds will be given priority.

The County's standard selection process will be used to rank all submitted proposals. The selection committee will consist of Martin County staff, including, but not limited to, representatives from the Community Services Division, and Building Department. Also, the AHAC will review CBO applications and provide recommendations as the Selection Committee. The

members of the MSLCLC, a maximum of four members, can be asked to review the proposals as well. Their comments will be provided to the County Selection Committee. The Selection Committee will make recommendations to the County Commission who will consider all requests. Applicants who do not receive an award will be notified regarding the reasons for the denial and will be allowed an opportunity to reapply during the next funding cycle.

B. Individual Applicants

The following criteria must be met by all applicants requesting assistance:

- Income level cannot exceed very low, low or moderate income.
- Applicants must purchase, rehabilitate, or build a unit within Martin County.
- All homeownership opportunities are limited to first-time buyers or to persons who have not owned a home within the last three (3) years.
- All applicants must furnish documentation of all current and past income sources and assets, employment history, and documentation of homeownership.
- All applicants must be credit-worthy. If the SHIP applicant's credit appears unsatisfactory, the applicant will be referred to Consumer Credit Counseling Services for credit counseling. The initial fee for the course will be paid by the SHIP program, not to exceed \$50.00 per family. This will help qualify applicants for future SHIP funded projects.

This criterion will be used by CBO applicants as well to qualify individuals or households for their CBO projects.

C. Maximum Award Schedule – See the Housing Delivery Goals Charts

D. Rehabilitation Contractor Selection

1. Bidding of potential cases is conducted by the SHIP Program Administrator. Owners review the pre-approved list of eligible contractors before their cases are sent out for bids. Owners have the right to remove any contractor(s) from the list of prospective bidders for their case, as long as at least three (3) eligible contractors are allowed to bid. Every effort will be made by the Program Administrator to obtain a minimum of three (3) bids per project, however, if there is a shortage in the contractor pool, then a minimum of one (1) bid can be accepted providing the bid price is within program guidelines. Bids can be accepted and opened unofficially by the Program Administrator. The intent of this procedure is to eliminate the need for formal public bid practices. The owner must be willing to justify the removal of contractor(s) from the bidding list. Owners can also request additional contractors as bidders. If these owner-requested contractors submit the contractor application, and are qualified and approved by the Program Administrator, they can be added to the bidders list and bid on the case and future projects. The Program Administrator will make maximum effort to

ensure participation by qualified minority contractors and all efforts shall be made to ensure participation.

2. No housing unit owner, lessor, lessee, tenant, or occupant, or employee, or immediate relative of the same via familial or marital status, either personally or corporately, shall serve as a contractor or sub-contractor to be paid with SHIP funds for the rehabilitation of said building, nor shall they be paid for their own labor with SHIP funds for the rehabilitation of said building.
3. A notice is sent to each eligible bidder to inform them of the job. Bidding notices will be posted at primary governmental buildings to the maximum practical extent.
4. Each contractor must inspect the house under the owner's supervision. Failure to do so will result in automatic rejection of his/her bid(s) for the house(s).
5. Sealed bids will be opened by the Program Administrator or others as designated by the Program Administrator. The Program Administrator will generally recommend that the contract be awarded to the lowest responsible bidder within plus or minus fifteen percent (15%) of the cost estimate. The County and owner reserve the right to reject any and all bids and to award in the best interest of the owner and the County.
6. No contractor will be allowed to have more than three (3) jobs under construction at one time unless:
 - The anticipated date of commencement is after the scheduled and estimated date of completion of current jobs; or
 - The Contractor has demonstrated to the Program Administrator through past performance, his/her ability to satisfactorily complete multiple contracts in a timely manner thereby causing no impact on project and program completions.

This rule can be waived the County Commission if it is determined that there is an inadequate pool of qualified bidders, if the other bids are excessive, or if other extenuating circumstances arise.

E. Contractual Requirements for Recipients

All agents, contractors and sub-grantees of Martin County under the SHIP program will comply with the program guidelines in Rule 67-37 of the Florida

Administrative Code, as amended and revised. Martin County will include

language in each contract and subcontract to commit each agency, contractor and sub-grantee to compliance.

F. Exceptions

Exceptions from the adopted Martin County Local Housing Assistance Plan must be requested in writing to the SHIP Program Administrator. Requests for exceptions will be reviewed by the Review Committee who will make recommendations to the Board of County Commissioners who will make the final decision. Applicants who obtained grants under a previously funded SHIP program and desire additional funds must be evaluated by the Review Committee. All exceptions must be approved by the Review Committee.

G. Appeals

If an applicant wishes to appeal a decision made by the SHIP Program Administrator, a request must be submitted in writing to the Review Committee in order to schedule a hearing. Appeals will be heard at the next available Review Committee meeting.

H. Review Committee

The Review Committee is comprised of members of the Martin County Affordable Housing Advisory Committee (AHAC). The Review Committee advises and monitors the program. The Review Committee will also evaluate requests for exceptions from the LHAP and will review appeals.

IX. EXHIBITS:

- A. Administrative Budget for each fiscal year covered in the Plan. (not applicable)
- B. Timeline for Encumbrance and Expenditure: Chapter 67-37.005(6)(d) and (f) FAC. (not applicable)
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the Plan.
- D. Certification Page. (not applicable)
- E. Adopting Resolution.
- F. Program Information Sheet (not applicable)
- G. Ordinance: Martin County Ordinance 424.If changed from the original ordinance, a copy is attached as Exhibit G.

H. Interlocal Agreement. (If applicable)