

PINELLAS COUNTY, FLORIDA

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2015-2016, 2016-2017, and 2017-2018

Revised April 2018



Table of Contents

<u>Title</u>	<u>Page #:</u>
Section I. General Program Description	
A. Name of the Participating Local Government	1
B. Purpose of the Program	1
C. Fiscal Years Covered by the Plan	1
D. Governance	1
E. Local Housing Partnership ..	1
F. Leveraging	2
G. Public Input	2
H. Advertising and Outreach ..	2
I. Discrimination	2
J. Support Services and Counseling	3
K. Purchase Price Limits	3
L. Income Limits, Rent Limits and Affordability	3
M. Welfare Transition Program	4
N. Monitoring and First Right of Refusal	4
O. Administrative Budget ..	4
P. Program Administration	5
Q. Essential Service Personnel Definition ..	5
R. Efforts to Incorporate Green Building and Energy Saving Products and Processes	5
S. Special Needs	6
Section II. LHAP Strategies	
<u>Homeowner Housing</u>	
A. Purchase Assistance Without Rehab	7
B. Rehabilitation (Owner-Occupied) ...	9
C. Acquisition	11
D. Disaster Repair/Mitigation .	13
E. New Construction	14
<u>Rental Housing</u>	
F. Rehabilitation-Rental ...	16
Demolition/Reconstruction-Rental...	16
Land Acquisition-Rental.....	16
New Construction-Rental ...	16

Section III. LHAP Incentive Strategies

A. Expedited Permitting 19
B. Ongoing Review Process 19

Section IV. Exhibits 20

Section I. General Program Description:

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

Pinellas County

Interlocal: Yes _____ No X

If "Yes", name of participating local government(s) in the Interlocal Agreement:

B. Purpose of the program:

Creation of the Plan is for the purpose of:

- 1) Meeting the housing needs of the very-low, low- and moderate-income households; and
- 2) Expanding production of and preserve affordable housing; and
- 3) Furthering the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2015-2016, 2016-2017, and 2017-2018

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. This program will be administered countywide by Pinellas County.

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 County may partner with sponsors for the rehabilitation and/or development of affordable housing. Eligible sponsors, as defined in s. 420.9071(11), F.S., means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

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 is continuously provided by special housing committees; countywide and neighborhood committees; public hearings; public forums; consultations with public, quasi-public, and nonprofit agencies, the housing development community; and through special studies. County staff works with community groups, makes public presentations, invites citizen input and shares information on an ongoing basis. Examples of agencies and committees include the Affordable Housing Advisory Committee, collaborative engagement, chambers of commerce, the Professional Realtor Organization, Tampa Bay Builders Association, the Tampa Bay Partnership, Faith and Action for Strength Together (FAST), Health and Human Services Leadership Board, Health and Human Services Administrative Forum, Low Income Housing Network, Homeless Leadership Board, and the Bay Area Apartment Association.

Public input was solicited through the *Tampa Bay Times* by advertising the availability of the draft of the Local Housing Assistance Plan for public comment and the Notice of Funding Availability.

H. Advertising and Outreach:

Pinellas County annually advertises a Notice of Funding Availability in a newspaper of general circulation and in one or more publications serving ethnic and diverse neighborhoods, at least thirty (30) days before the beginning of its application period. If no funding is available due to a waiting list, no notice of funding availability is required. In addition, Pinellas County advertises annually as part of the Notice of Funding Availability for federal CDBG, HOME and ESG Programs.

Other outreach includes providing information on housing programs to committees, at meetings and forums, via television and radio programs and internet postings and a variety of printed materials such as information statements and brochures.

I. Discrimination:

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

J. Support Services and Counseling:

Support services are available from various sources and may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling and Transportation. In addition to counseling and credit repair services, these activities assist individuals with budgeting, the mortgage application process and home maintenance.

K. Purchase Price Limits:

The sales price or value of new or existing eligible housing may not exceed ninety percent (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 can be lower but may not exceed ninety (90%) of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

- U.S. Treasury Department
- Local HFA Numbers

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 by the Department of Housing and Urban Development and posted at www.floridahousing.org.

Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed thirty percent (30%) of that amount which represents the percentage of the median annual gross income for the households as indicated in s. 420.9071(2), 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.

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 and any 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 \$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 fifteen (15) years or the term of assistance whichever is longer unless as specified above.

Eligible sponsors that offer rental housing for sale before fifteen (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.

Affordability requirements are defined and enforced through a Land Use Restriction Agreement (LURA) recorded at the time of funding. The LURA runs with the land and binds the sponsor, its successors and all subsequent owners of the property to meet the requirements during the affordability period.

O. Administrative Budget:

A line-item budget of proposed Administrative Expenditures is attached as Exhibit A.

Pinellas County finds that the monies deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states:

“A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.”

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states:

“The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(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.”

Pinellas County finds that five percent (5%) of the estimated local distribution plus five percent (5%) of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan and authorizes expenditures not to exceed ten percent (10%) of distributed funds, to be supplemented by expenditures not to exceed five percent (5%) of program income.

The Board of County Commissions of Pinellas County has adopted the above findings in the resolution attached as Exhibit E.

P. Program Administration:

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

Q. Essential Service Personnel Definition (required):

“Essential Services Personnel” means active duty/reserve military personnel; teachers and educators; employees of school districts, community colleges, or universities; police and fire personnel including police, fire, emergency medical service and 9-1-1 dispatchers; health care personnel and employees in health care related fields including employees of hospitals, assisted living facilities, medical providers and pharmacies; and skilled building trades personnel.

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

Pinellas County housing rehabilitation and new construction standards includes design features that include green building features, storm resistant construction and other elements that reduce the long term costs relating to maintenance, utilities and insurance while enhancing marketability and having a lower impact on the environment. Features such as Energy Star appliances, window, shingles, and HVAC systems reduce energy use and lower monthly housing costs. Structural enhancements such as roofing tie downs and impact resistant windows lower homeowner insurance costs.

Pinellas County design criteria include, but are not limited to the following:

- Structural components shall be of sound condition. This shall include strengthening a structure to withstand adverse environmental conditions. Any structural defects shall be repaired or replaced;

- All deficiencies in proper grading and paving adjacent to the building shall be corrected to assure surface drainage away from the structure;
- Upgrade insulation where feasible;
- Provide caulking and weather stripping of windows and doors;
- Replace windows that are not substantially weatherproofed with windows containing impact glass;
- Assure that each building is effectively protected against vermin infestation;
- New plumbing fixtures shall be low flow;
- Energy Star rated appliances;
- Low VOC paints and coatings;
- Replacement HVAC systems shall be a minimum of SEER 14.

S. Special Needs

For each annual allocation with a requirement to serve persons with special needs the County will meet the requirements through the following housing programs, further defined in the Homeowner and Rental Housing Strategies:

- Purchase Assistance Without Rehab
- Rehabilitation (Owner-Occupied)
- Acquisition
- Disaster Repair/Mitigation
- New Construction
- Rehabilitation (Rental)
- Demolition/Reconstruction (Rental)
- Disaster Repair/Mitigation (Rental)
- Land Acquisition (Rental)
- New Construction (Rental)

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

During the allocation years with the special needs requirement, the County will give first priority to serving persons with developmental disabilities, as defined in s. 393.063, F.S., with an emphasis on home modifications, including technological enhancements and devices, which allow homeowners to remain independent in their own homes and maintain their homeownership.

Section II. LHAP Strategies:

A. Homeowner Housing

<i>Purchase Assistance without Rehab</i>	2
--	----------

a. Summary of the Strategy:

The goal of the Purchase Assistance without Rehab strategy is to increase affordable homeownership opportunities by providing down payment and closing costs assistance to eligible homebuyers.

Pinellas County will provide purchase assistance through the following programs:

- a) **Down Payment Assistance** - the Down Payment Assistance Program expands homeownership opportunities for income eligible households.
- b) **Home Town Heroes** - the Home Town Heroes Program expands homeownership opportunities for income eligible Essential Services Personnel.
- c) **Making Pinellas Home** - the Making Pinellas Home Program expands homeownership opportunities for income eligible households by supplementing first mortgage funds provided by the Housing Finance Authority of Pinellas County's (HFA) Homebuyer Programs.

b. Fiscal Years Covered: 2015-2016, 2016-2017 and 2017-2018

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

d. Maximum award: Noted on Housing Delivery Goals Charts.

e. Terms of the award: Interest Rate, Repayment (hard pay, forgiveness), Recapture and Default:

Purchase Assistance Programs		
All loans are secured by a recorded mortgage and note (deferred for 5 years). Following the deferral period, all loans will be amortized using the following payback schedule:		
Loan Amount	Interest Rate	Amortization Period
\$0-\$5,000	0%	60 months
\$5,001-\$10,000	0%	120 months
\$10,001-\$25,000	0%	240 months

Down payment assistance loans are not assumable without County approval. Outstanding balances are due and payable if the borrower sells, rents, leases or otherwise vacates the residence. However, the County will work with subsequent buyers to determine if they qualify to assume the mortgage.

All loans are secured by a recorded mortgage and promissory note detailing the loan term and repayment schedule as defined above. Mortgage documents also require the borrower to insure, maintain and utilize the property as their primary residence. The County may accelerate loan repayment or foreclose on the loan if the homebuyer does not meet the terms and requirements of the mortgage.

f. Recipient Selection Criteria:

- a) Applicants will be assisted on a first-qualified, first-served basis.
- b) Recipients must be income eligible.
- c) The home must serve as the recipient's primary residence.
- d) Recipients are required to complete a homebuyer's counseling course and obtain a Certification of Completion from a County or HUD approved agency or Lender sponsored course.
- e) First mortgage must be at a fixed rate; Adjustable Rate Mortgages (ARMs), prepayment penalties, negative amortization, balloon loans, owner financing or other non-affordable loan terms are not allowed.
- f) Demonstrated need for funding, as evidence by a Commitment or Pre-approval from Lender.

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

h. Additional Information:

Eligible properties include single-family detached houses, townhomes, villas, cooperatives, and condominiums. Mobile homes are not eligible; however, funds can be used to purchase a leasehold in a resident-owned manufactured housing community. Rental and income-producing properties are not eligible. The home must serve as the applicant's primary residence; vacation homes and second homes are not eligible.

B. Homeowner Housing

<i>Rehabilitation (Owner-occupied)</i>	3
--	----------

a. Summary of the Strategy:

The Homeowner Rehabilitation strategy is designed to preserve the existing affordable housing inventory and assist eligible homeowners to improve the physical condition of their houses. Rehabilitation programs provide assistance with the home repair process including identifying needed repairs, developing work plans, helping owners review construction proposals, and ensuring the contracted work is complete before funds are released to contractors. The Programs also assist persons with special needs to maintain homeownership. Funds may also be used to assist with payment of relocation costs associated with rehabilitation of the residence occupied by the homeowner.

Pinellas County will provide rehabilitation assistance through the following programs:

- a) **Home Repair Loan Program** - the Home Repair Loan Program assists homeowners with property renovations to preserve and maintain their home. Eligible repairs include items such as: roof systems and soffit/fascia; AC/heat systems; energy-efficiency upgrades, wind mitigation improvements, necessary plumbing, upgrades of the electrical system including interior and exterior lighting, smoke and carbon detectors, arc faults and GFCI's; kitchen and bathroom upgrades; room additions; windows and exterior doors; attic insulation; painting; exterior repair/replacement of siding or stucco, water heaters, flooring, etc. When necessary, site improvements such as landscaping, fencing, tree trimming, garages, security lighting, etc., may be included in the loan.
- b) **Senior Homeowner Rehabilitation Program** - the Senior Homeowner Rehabilitation Program assists homeowners, sixty-two (62) or older, with specific property repairs/upgrades to preserve and maintain their home. Eligible repairs include items such as: roof systems and soffit/fascia, AC/heat systems, necessary plumbing, upgrades of the electrical system, windows and doors, attic insulation, exterior painting, repairs necessary to meet minimum exterior housing codes and accessibility improvements.
- c) **Independent Living Grant Program** - the Independent Living Grant Program assists physically disabled homeowners with property renovations to provide barrier free, accessible housing. Eligible repairs include items that remove barriers and enhance independent living such as: ramps, rails, doors and doorways, stairs, floors, shower stalls, audible and visual warning signals, thresholds, etc. Personal property such as furnishings, appliances, personal electronics and consumable supplies are not eligible. Although they may enhance independent living, general repairs and items considered normal replacement are not eligible under this program. However, those items may be eligible under the County's Home Repair Program.

b. Fiscal Years Covered: 2015-2016, 2016-2017 and 2017-2018

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

d. **Maximum award:** Noted on Housing Delivery Goals Charts.

e. **Terms of the award: Interest Rate, Repayment (hard pay, forgiveness), Recapture and Default:**

All loans are secured by a recorded mortgage and promissory note detailing the loan term and repayment schedule. Mortgage documents also require the borrower to insure, maintain and utilize the property as their primary residence. The County may accelerate loan repayment or foreclose on the loan if the homebuyer does not meet the terms and requirements of the mortgage.

Home Repair Loan Program - provides financial assistance in the form of a grant or zero-percent interest (0%) deferred payment first or subordinate mortgage loan, secured by a recorded mortgage and note. All borrowers are evaluated for ability to pay back the County loan through verification of debt-to-income ratios, loan-to-value ratios, and qualifying credit history. Loan repayment begins after construction is complete. Monthly payments are amortized over a loan term based on the amount of the loan as shown on the chart below. Loan repayment will be deferred in instances where the borrower's household has a debt-to-income ratio exceeding thirty percent (30%) and meets one of the following criteria: 1) household is very low-income (at or below 50% AMI) and elderly; or 2) household is very low-income (at or below 50% AMI) and meets the "SHIP" definition of special needs. Deferred loans are reduced 5% annually over the 20 year period, provided that title remains under the ownership of the borrowers signing the mortgage and note. Property must also remain their principal residence.

Home Repair loans are not assumable without County approval. Outstanding balances are due and payable if the borrower sells, rents, leases or otherwise vacates the residence. However, the County will work with subsequent buyers to determine if they qualify to assume the loan.

Home Repair Loan Program		
Loan Amount	Interest Rate	Loan Term
\$3,000-\$9,000	0%	72 months
\$9,001-\$15,000	0%	120 months
\$15,001-\$21,000	0%	180 months
Over \$21,000	0%	240 months

Senior Homeowner Rehabilitation Program - provides financial assistance in the form of a zero-percent interest (0%), permanently deferred loan. Deferred loans are reduced 5% annually over the 20 year period provided that title remains under the ownership of the borrowers signing the mortgage and note. Property must also remain their principal residence.

Independent Living Grant Program - provides financial assistance in the form of a grant. Recipients are required to sign an Acceptance of Grant Form acknowledging receipt of the grant.

f. Recipient Selection Criteria:

- a) Applicants will be assisted on a first-qualified, first-served basis.
- b) Recipients must be income eligible.
- c) Property title must be recorded in recipient's name and recipient must occupy the home as primary residence.
- d) Applicants who have received a County grant within the last five (5) years are not eligible.

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

h. Additional Information:

Eligible properties include single-family detached houses, townhomes, villas, cooperatives, condominiums and manufactured housing constructed after June 1994 and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway Safety and Motor Vehicles. Rental and income-producing properties are not eligible. The home must serve as the applicant's primary residence.

C. Homeowner Housing

<i>Acquisition</i>	9
--------------------	----------

a. Summary of the Strategy:

The Acquisition strategy is designed to preserve and improve the existing affordable housing inventory. Pinellas County will provide loans through the Affordable Housing Development Program to eligible sponsors to acquire, rehabilitate, demolish, construct and sell homeowner units.

There is no minimum or maximum number of units that may be included in an assisted development. Properties may include units in one or more buildings that are under common ownership, management and financing. Funds are provided for a specific number of assisted units. All units within a development do not need to be assisted units.

Only units receiving funds are considered "Assisted Units." Strict occupancy and purchase price controls apply to assisted units. Units must meet or exceed Pinellas County Rehabilitation Standards.

b. Fiscal Years Covered: 2015-2016, 2016-2017 and 2017-2018

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

d. Maximum award: Noted on Housing Delivery Goals Charts.

e. Terms of the award: Interest Rate, Repayment (hard pay, forgiveness), Recapture and Default:

The Strategy provides assistance in the form of low interest rate short term loans. The interest rate, loan term and loan repayment amount are based on an underwriting analysis of each project to determine the level of subsidy needed. The amount of funds contributed to the development is directly connected to the purpose of providing units that are affordable to income-eligible households and cannot be greater than the reasonable amount needed to accomplish that purpose. Loans have a fixed interest rate of zero percent (0%). The loan term is five (5) years with repayment deferred until unit sale.

All borrowers are required to enter into security agreements, including, but not limited to a Mortgage, Promissory Note and Affordable Housing Development Agreement to assure compliance with occupancy requirements and SHIP Program rules. Recapture methods resulting from a default include payment in full at the time of default or foreclosure.

f. Recipient Selection Criteria:

- a) Homebuyer must be income-eligible.
- b) The unit purchased must serve as the homebuyer's primary residence.
- c) Homebuyers are required to complete a homebuyer's counseling course and obtain a Certification of Completion from a County or HUD approved agency or Lender sponsored course.
- d) Homebuyers must be qualified for a first mortgage through a lending institution, as evidenced by an Award/Commitment Letter. First mortgage must be at a fixed rate; Adjustable Rate Mortgages (ARMs), prepayment penalties, negative amortization, balloon loans, owner financing or other non-affordable loan terms are not allowed.

g. Sponsor Selection Criteria and duties, if applicable:

Sponsored projects will be reviewed by Pinellas County staff to determine project viability and the applicant's ability to repay a loan under the terms and conditions requested. When providing subordinate financing, the senior lender's underwriting determination will be used, or if providing sole financing, or if the senior lender's underwriting is incomplete or unavailable, the County will utilize third party underwriting.

A review of applicant/ borrower development records including construction/development history and operating and management performance for existing projects will be conducted.

Additionally, an analysis of credit worthiness based on liquidity, net worth, unrestricted assets, contingent liabilities, past performance, default history, outstanding contingencies, etc. will be conducted.

For-profit applicants, if a corporation or partnership, will be required to provide the following: corporate documents, partnership agreements, and three (3) years of financial statements (audited and/or prepared by a CPA) for the borrowing entity.

Not-for-profit applicants will be required to provide the following: three (3) years of financial statements (audited and/or prepared by a CPA); organizational documents, including Articles of Incorporation and Bylaws, evidence of tax-exemption, authorization to make application, list of board members and their resumes; list of primary contributors, if applicable; and operating statements on existing projects.

h. Additional Information:

Eligible properties include single-family detached houses, townhomes, and villas. The home must serve as the applicant’s primary residence; vacation homes and second homes are not eligible.

D. Homeowner Housing

<i>Disaster Repair/Mitigation</i>	5
-----------------------------------	----------

a. Summary of the Strategy:

The Disaster Repair/Mitigation strategy provides assistance to households following a natural disaster as declared by Executive Order by the President of the United States or 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 or additional disaster funds issued by Florida Housing Finance Corporation.

SHIP disaster funds can be used to assist eligible households with items such as:

- 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 homeowners insurance policies;
- Security deposit for eligible recipients that have been displaced from their homes due to disaster;
- Other activities as proposed by the counties and eligible municipalities and approved by Florida Housing.

- b. **Fiscal Years Covered:** 2015-2016, 2016-2017 and 2017-2018
- c. **Income Categories to be served:** Very-Low, Low-, and Moderate-Income
- d. **Maximum award:** Noted on Housing Delivery Goals Charts.
- e. **Terms of the award: Interest Rate, Repayment (hard pay, forgiveness), Recapture and Default:**

All SHIP funds provided to eligible households will be in the form of a grant and not subject to recapture.

f. Recipient Selection Criteria:

- a) Applicants will be assisted on a first-qualified, first-served basis.
- b) Priority shall be given to persons who have special housing needs and individuals or households that qualify as Elderly as defined in 420.503, F.S.

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

h. Additional Information:

SHIP funds at all times must be used for eligible applicants and eligible housing. SHIP disaster funds may not be used for the purchase or rehabilitation of mobile homes.

E. Homeowner Housing

<i>New Construction</i>	10
-------------------------	-----------

a. Summary of the Strategy:

The New Construction strategy is designed to incentivize the development and construction of affordable housing units for sale to SHIP eligible homebuyers. Pinellas County will provide loans through the Affordable Housing Development Program to eligible sponsors to accomplish this strategy.

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. All units within a development do not need to be assisted units.

Only units receiving funds are considered "Assisted Units." Applicants occupying assisted units must meet income requirements and purchase price limits apply to assisted units. Units must meet or exceed Pinellas County Rehabilitation Standards.

- b. Fiscal Years Covered:** 2015-2016, 2016-2017 and 2017-2018
- c. Income Categories to be served:** Very-Low, Low-, and Moderate-Income
- d. Maximum award:** Maximum per unit awards noted on Housing Delivery Goals Charts.
- e. Terms of the award: Interest Rate, Repayment (hard pay, forgiveness), Recapture and Default:**

The Strategy provides assistance in the form of low interest rate, short term loans. The interest rate, loan term and loan repayment amount are based on an underwriting analysis of each project to determine the level of SHIP subsidy needed. The amount of SHIP funds committed to the development cannot be greater than the amount required by the credit underwriter to fund the any gap in the total development cost. Loans have a fixed interest rate of zero percent (0%). The loan term is five (5) years with repayment deferred until unit sale.

All borrowers are required to enter into security agreements, including, but not limited to a Mortgage, Promissory Note and Affordable Housing Development Agreement to assure compliance with occupancy requirements and SHIP Program rules Recapture methods resulting from a default include payment in full at the time of default or foreclosure.

f. Recipient Selection Criteria:

- a) Homebuyers must be income-eligible.
- b) The unit purchased must serve as the homebuyer's primary residence.
- c) Homebuyers are required to complete a homebuyer's counseling course and obtain a Certification of Completion from a County or HUD approved agency or Lender sponsored course.
- d) Homebuyers must be qualified for a first mortgage through a lending institution, as evidenced by an Award/Commitment Letter. First mortgage must be at a fixed rate. Adjustable Rate Mortgages (ARMs), prepayment penalties, negative amortization, balloon loans, owner financing or other non-affordable loan terms are not allowed.

g. Sponsor Selection Criteria and duties, if applicable:

Sponsored projects will be reviewed by Pinellas County staff to determine project viability and the applicant’s ability to repay a loan under the terms and conditions requested. When providing subordinate financing, the senior lender’s underwriting determination will be used, or if providing sole financing, or if the senior lender’s underwriting is incomplete or unavailable, the County will utilize third party underwriting.

For-profit applicants, if a corporation or partnership, will be required to provide the following: corporate documents, partnership agreements, and three (3) years of financial statements (audited and/or prepared by a CPA) for the borrowing entity.

Not-for-profit applicants will be required to provide the following: three (3) years of financial statements (audited and/or prepared by a CPA); organizational documents, including Articles of Incorporation and Bylaws, evidence of tax-exemption, authorization to make application, list of board members and their resumes; list of primary contributors, if applicable; and operating statements on existing projects.

h. Additional Information:

Eligible properties include single-family detached houses, townhomes, and villas. The home must serve as the applicant’s primary residence; vacation homes and second homes are not eligible.

F. Rental Housing

<i>REHABILITATION, DEMOLITION/RECONSTRUCTION, LAND ACQUISITION, NEW CONSTRUCTION-RENTAL</i>	<i>14, 15, 16, 20, 21</i>
---	---------------------------

a. Summary of the Strategy:

The Rental Housing Rehabilitation and Construction strategies are designed to preserve and produce affordable rental housing units for income-eligible households. Pinellas County will provide loans through the Affordable Housing Development Program to eligible sponsors to accomplish these strategies.

Funds can be used to assist projects involving acquisition, rehabilitation and new construction and may be used for related costs including demolition, reconstruction, and disaster repair of rental units. There is no minimum or maximum number of units that may be included in an assisted development.

b. Fiscal Years Covered: 2015-2016, 2016-2017 and 2017-2018

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

d. Maximum award: Noted on Housing Delivery Goals Charts.

e. Terms of the award: Interest Rate, Repayment (hard pay, forgiveness), Recapture and Default:

The Affordable Housing Development Program provides assistance in the form of low interest rate loans. The interest rate, loan term and loan repayment amount are based on an underwriting analysis of each project to determine the level of subsidy needed. The amount of funds contributed to the development is directly connected to the purpose of providing rental units that are affordable to income-eligible households and cannot be greater than the reasonable amount needed to accomplish that purpose.

Typically, loans have a fixed interest rate of three percent (3%). In certain instances, incremental reductions to the interest rate from three percent (3%) down to zero percent (0%) may be considered if, based on underwriting and pro-forma analysis, it is necessary in order to bring the debt coverage ratio of a proposed development to a minimum ratio of 1.20. The loan term is thirty (30) years with repayment deferred for three (3) years to provide for construction, lease-up and property stabilization.

In certain cases, where a property is serving a special needs population, serving a low-income population, or meeting a special redevelopment need, loans may be deferred until debt service targets are met, cash flow targets are met, or until sale.

During the affordability period, Pinellas County or a third party monitoring entity will conduct annual monitoring inspections of the property and tenant files for compliance with all funding requirements. The affordability period will be no less than fifteen (15) years.

All borrowers are required to enter into security agreements, including a Mortgage, Promissory Note, Affordable Housing Development Agreement, and a Land Use Restriction Agreement (LURA) to assure compliance with occupancy, affordability, and affordability period requirements. Recapture methods resulting from a default include payment in full at the time of default or foreclosure. Funds will be considered recaptured only if SHIP funds are not used to create a housing unit.

f. Recipient Selection Criteria:

- a) Recipients must be income-eligible.
- b) The unit must be the recipient's primary residence.
- c) All potential tenants will be processed on a first-qualified, first-served basis.

g. Sponsor Selection Criteria and duties, if applicable:

Proposed projects will be reviewed by Pinellas County staff to determine project viability and the sponsor's ability to repay a loan under the terms and conditions requested. When providing subordinate financing, the senior lender's underwriting determination will be used. The County will utilize a third party underwriter if providing sole financing or if the senior lender's underwriting is incomplete or unavailable. Sponsors will be reviewed for their development record including construction/development history, as well as their operating and management performance for existing projects. An analysis of credit worthiness based on liquidity, net worth, unrestricted assets, contingent liabilities, past performance, default history, outstanding contingencies etc. will be conducted.

For-profit applicants, if a corporation or partnership, will be required to provide the following: corporate documents, partnership agreements, and three (3) years of financial statements (audited and/or prepared by a CPA) for the borrowing entity.

Not-for-profit applicants will be required to provide the following: three(3) years of financial statements (audited and/or prepared by a CPA); organizational documents, including Articles of Incorporation and Bylaws, evidence of tax-exemption, authorization to make application, list of board members and their resumes; list of primary contributors, if applicable; and operating statements on existing projects.

h. Additional Information: The rental housing strategy through the Affordable Housing Program is also utilized to provide affordable rental housing for individuals with special needs.

Section III. LHAP Incentive Strategies:

In addition to the **required Incentive Strategy A and Strategy B**, include all adopted incentives with the policies and procedures used for implementation as provided in s. 420.9076, F.S.:

A. Name of the Strategy: Expedited Permitting

Permits as defined in s. 163.3177 (6) (f) (3), F.S., for affordable housing projects are expedited to a greater degree than other projects.

Pinellas County's permit review process gives priority to affordable housing developments so that these developments are permitted faster than other projects. The first step in obtaining approval for an affordable housing development is to meet with staff of the Community Development and Planning Division of the Planning Department to determine if the proposed development meets established criteria for affordable housing. When Community Development and Planning Division staff is satisfied that these criteria are met, an affordable housing certification is issued. Additionally, a designated Development Review Services staff member provides oversight to assist the applicant in achieving an expeditious review and waiver of permit and review fees.

B. Name of the Strategy: Ongoing Review Process

An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Prior to adoption, the Pinellas County Planning Department conducts reviews of local ordinances, regulations, policies, and plan provisions to determine the potential impact on the cost of housing. Special attention will be directed to the impact of proposed changes on affordable housing.

The Affordable Housing Advisory Committee, appointed by the Board of County Commissioners in 2008, as required by s. 420.9076, F.S., reviews affordable housing strategies in the County's Land Development Code and recommends strategies to reduce regulatory barriers to develop affordable housing in the community.

Section IV. Exhibits:

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure for each fiscal year covered in the Plan.
- C. Housing Delivery Goals Chart (HDGC) for each fiscal year covered in the plan.
- D. Signed Certification.
- E. Signed, dated, witnessed or attested adopting resolution.
- F. Program Information Sheet.
- G. Ordinance: (If changed from the original creating ordinance).
- H. Interlocal Agreement: A copy of the interlocal agreement if applicable.

N/A. Pinellas County does not have interlocal agreements with any other local government for use of funds distributed in the SHIP Program.