

Polk County, Florida



**Health & Human Service Division
Housing & Neighborhood Development Office**

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2020-2021, 2021-2022, 2022-2023

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I. Program Details:

A. LG(s)

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| Name of Local Government | Polk County, a political subdivision of the State of Florida |
| Does this LHAP contain an interlocal agreement? | NO |
| If yes, name of other local government(s) | N/A |

B. Purpose of the program:

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

C. Fiscal years covered by the Plan: 2020-2021, 2021-2022, 2022-2023

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

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

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

G. Public Input: Public input was solicited through face to face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

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

I. Waiting List/Priorities: A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan.



The following priorities for funding (very low income, Special Needs, etc.) described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

The County will accept applications during the advertised “Application Period” which will be 30 days from the publication of the Notice of Funding Availability advertisement . Applications will be placed in order of receipt and separated based on strategy applied for. When funds are available for a particular strategy, the applicants from the waiting list will be contacted to complete/update the application for SHIP assistance. Applicants will be placed in the queue for assistance once they have provided all required documentation and been deemed SHIP eligible.

Ranking Priority:

1. Special Needs Households
 - a. Very low
 - b. Low
 - c. Moderate
2. After Special Needs Set-asides are met
 - a. Very Low
 - b. Low
 - c. Moderate
3. For the Demolition/Reconstruction Strategy priority will be given to those homes that are owned by the elderly defined as over age 62.

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

The methodology used is:

| | |
|--------------------------|---|
| U.S. Treasury Department | |
| Local HFA Numbers | X |

- M. **Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

“Affordable” means that monthly rents or mortgage payments including taxes and insurance do not



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

- N. 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.
- O. 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 periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.
- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The city/county finds that the moneys deposited in the local housing assistance trust fund are necessary 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(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs." The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.



Q. Program Administration: Administration of the local housing assistance plan will be performed by:

| Entity | Duties | Admin. Fee Percentage |
|----------------------------------|---|-----------------------|
| Local Government | Polk County will advertise county wide for eligible subrecipients that are interested in participating in Polk County's down payment assistance delivery program. | 100 % |
| Third Party Entity/Sub-recipient | N/A | 0% |

R. First-time Homebuyer Definition: For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*

S. Project Delivery Costs: Project Delivery Costs include but not limited to home inspections, work write-ups, title work, and draw inspections. There costs are non-administrative and are capped at \$7,000 for rehabilitation and are included in the award amount. The Down Payment and Closing Costs assistance per applicant is \$2,000.

T. Essential Service Personnel Definition (ESP): ESP includes teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, and skilled building trades personnel.

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

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - a. Toilets: 1.6 gallons/flush or less,
 - b. Faucets: 1.5 gallons/minute or less,
 - c. Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
4. Energy Star qualified exhaust fans in all bathrooms; and
5. Air conditioning: Minimum SEER of 14.

V. Describe efforts to meet the 20% Special Needs set-aside: The 20% Special Needs set-aside will be met through the Owner-Occupied Rehabilitation and Demolition/Reconstruction.

W. Describe efforts to reduce homelessness: The County will work with agencies serving local homeless populations including the Homeless Coalition of Polk County and the Lakeland, Winter Haven/Polk



County Continuum of Care members. Assistance is primarily through rental assistance to place individuals or families in rental or transitional housing for the purpose of providing a stable housing situation for up to twelve months. HND staff stays updated about funding sources to pay past due rents and offer move in assistance. The HND Office works closely with the lead agency of the Continuum of Care so that housing programs are complementary and not duplicative or working at cross purposes.

Polk County receives federal Emergency Solutions Grant (ESG) Funds each year which is passed through to local homeless assistance providers under a Request for Application (RFA) process. Funds awarded are used by local Emergency Shelters for operations and essential services. Rental assistance may be provided by an ESG Subrecipient. HND Staff makes referrals to the Polk County Veterans Services office and resources available to homeless veterans.

Section II. LHAP Strategies:

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| A. Purchase Assistance | Code 1, 2 |
|-------------------------------|------------------|

a. Summary: SHIP funds will be awarded for down payment and closing costs to households to purchase a newly constructed or existing home. A newly constructed home must have received a certificate of occupancy within the last twelve months.

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award:
 - Very Low: \$30,000
 - Low: \$20,000
 - Moderate: \$15,000
- e. Terms:
 1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred subordinate loan secured by a recorded subordinate mortgage and note.
 2. Interest Rate: 0%
 3. Years in loan term: 5 Years
 4. Forgiveness: Loan is forgiven at the end of the 5th year.
 5. Repayment: Not required as long as the loan is in good standing.
 6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: loss of homeowner’s insurance, sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence, failure to pay property taxes. If any of these occur, the outstanding balance will be due and payable. Closing costs assistance will be provided as a grant up to \$8,000 as part of the maximum award. In cases where the combined loan to value exceeds 100%, the amount over 110% may not be subject to recapture, per the requirements of the first mortgage holder.



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

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

- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as outlined in Section I. Waiting List/Priorities. The homebuyer must meet the following qualifications:
 - 1. Qualify for a first mortgage through a qualified lender or approved not for profit sponsor providing first mortgage financing;
 - 2. Complete a HUD certified homebuyer education class within the 18 months prior to closing;
 - 3. Contribute a minimum of \$750 toward the purchase of the home.
 - 4. In all cases, the buyer receives the benefit of SHIP assistance in the form of reduced purchase price and classified as a first time homebuyer (no ownership during the 3-year period of the closing date.)

- g. Sponsor Selection Criteria: Polk County will advertise county wide for eligible sponsors that are interested in participating in Polk County's down payment assistance delivery program.

This program may be implemented by a single entity or a consortium of eligible sponsors. The eligible sponsors or eligible subrecipients will be chosen by an RFP process. The successful respondents will have a proven record with the administration of very low, low, and moderate-income home buyer programs. In addition, they will have successfully demonstrated capacity to handle the administrative process for the anticipated number of loans, and will ensure the required home buyer education criteria have been met for each client. The ability to leverage private dollars/in kind services will be an advantage to the successful respondent. All eligible sponsors must attend Florida Housing Coalition (FHC) SHIP training. Eligible sponsors employing Welfare Transition Program personnel will be given preference in the selection process.

- h. Additional Information: Mobile Homes are not eligible for purchase under this program.

The County has a Subordination Policy if there is a request to subordinate purchase assistance funds. The Polk County Subordination Policy is attached in Exhibit H.

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| B. Demolition/Reconstruction | Code 4 |
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| a. Summary: SHIP funds will be used to provide replacement housing for eligible owner-occupied homes once the evaluation of costs for the rehabilitation exceeds fifty percent (50%) of the value of the existing housing unit. Only those dwellings occupied by eligible home-owners wishing to participate in a voluntary demolition program will be considered qualified for replacement if: <ul style="list-style-type: none">1. The home is found to be unfit for human habitation in accordance with standards set forth in the current Florida Building Code. |
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2. The homeowner has owned and occupied the dwelling to be demolished for not less than 365 days prior to execution of such an agreement.

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Very low and low
- d. Maximum award: \$175,000
- e. Terms:
 - 1. Repayment deferred loan: Funds will be awarded as a deferred loan secured by a recorded subordinate mortgage and note.
 - 2. Interest Rate: 0%
 - 3. Years in loan term: 15 years.
 - 4. Forgiveness: Loan is forgiven at end of 15 years.
 - 5. Repayment: Not required as long as the loan is in good standing.
 - 6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: loss of homeowner's insurance, sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence, or failure to pay property taxes. If any of these occur, the outstanding balance will be due and payable.

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

- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as outlined in Section I. Waiting List/Priorities.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Mobile homes and manufactured homes will not be eligible for assistance unless the owner agrees that the mobile/manufactured home will be removed from the site.

Applicants with existing mortgages on their homes are not eligible for this strategy. This assistance will be provided one time to the current home owner.

Homeowners assisted under this strategy will be required to obtain temporary housing on their own. Relocation funds and grant will be provided not to exceed \$9,000 per client. These soft costs are included in the maximum award amount and are granted to the borrower. Soft costs include permits, Ownership and Encumbrance Report, title commitment, and service delivery costs.



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| C. Owner Occupied Rehabilitation | Code 3 |
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a. Summary: SHIP funds will be awarded to households in need of repairs to correct code violations, health and safety issues, roofing systems (including soffit and fascia), septic tanks, wells and handicapped accessibility including ramps, grab bars, widen doors for access. This strategy has two levels Minor and Major Rehabilitation. The levels are based on the initial inspection/evaluation of the property and the estimated dollar amount of the work to be completed.

b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023

c. Income Categories to be served: Very low and low

d. Maximum award: Minor Rehabilitation \$ 50,000
 Major Rehabilitation \$110,000

e. Terms:

1. Deferred loan/grant: Funds for Minor and Major Rehabilitation will be awarded as a deferred loan secured by a recorded subordinate mortgage/note. **Soft costs are included in the maximum award above and are granted to the borrower.**
2. Interest Rate: 0%
3. Years in loan term: Minor rehab 5 years.
 Major rehab 15 years
4. Forgiveness: Minor rehab 5 years - loan is forgiven at the end of the 5th year.
 Major rehab 15 years – loan is forgiven at the end of the 15th year.
5. Repayment: Not required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: Loss of Homeowner’s Insurance, sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence, failure to pay property taxes. If any of these occur, the outstanding balance will be due and payable. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

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

A grant will be provided for project service delivery costs, permits, septic tank pump outs, recording fees, and any other project related costs as approved by the Housing Manager on a case by case basis. **Note Relocation funds apply only to the Major Rehabilitation Projects.** Relocation funds and grant will be provided not to exceed \$8,000 per client. These **soft costs are included in the maximum award amount and are granted to the borrower.**

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities as outlined in Section I. Waiting List/Priorities.



- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Mobile and manufactured homes are not generally eligible for Owner Occupied Rehabilitation. However, if repairs are needed for the removal of architectural barriers for households with special housing needs, as defined in the Florida Administrative Code Chapter 67-37.002 (21), in a mobile or manufactured home, for health and safety purposes, the case may be submitted to the Housing and Neighborhood Development Manager for review and approval. In accordance with SHIP guidelines, no more than 20 percent of SHIP funds may be used for assistance for mobile homes, which must have been constructed after June 1994 to be considered eligible housing. The mobile home must be installed by a State licensed company.

SHIP funds for this Strategy will be awarded (one time per three-year SHIP funding cycle). SHIP funds will be provided for payment of insurance deductibles for rehabilitation of homes covered under homeowner’s insurance policies. These funds will be granted if under \$5,000.

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| D. New Construction and Redevelopment-Homeownership | Code 10 |
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a. Summary: This strategy is designed to promote the acquisition and/or construction of affordable housing for homeownership opportunities and to promote infill housing. Developers will be required to submit proposals to provide housing that conforms to the County’s proposal request specifications and housing plan. Eligible properties include single family homes, town homes and duplexes. All homes will be sold to eligible applicants.

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Very low, low and moderate
 - d. Maximum award: Developer: \$195,000 per unit.
Home Buyer: Subsidy \$35,000 very-low, \$25,000 low and \$15,000 moderate income households.
- e. Terms:
 1. Repayment loan/deferred loan/grant: Deferred loan/Grant: Developer - Funds will be awarded to the Developer as a deferred loan secured by a recorded subordinate mortgage and note until conveyed to the buyer. Homebuyer - Funds will be awarded as a deferred loan secured by a recorded subordinate mortgage and note.
 2. Interest Rate: Developer: 0%, Homebuyer: 0%
 3. Years in loan term: Developer: Ends upon conveyance of property to a homebuyer, but not later than 18 months after the award. Homebuyer: 15 years on deferred loan.
 4. Forgiveness: Developer: Forgiven upon conveyance to buyer if transferred with 18 months after the award. Homebuyer: Loan is forgiven at the end of the loan term 15 years.
 5. Repayment: Not required as long as the loan is in good standing. Once the developer has completed and sold the house to an income eligible buyer, the proceeds from the sale of the property will be used to pay off 100 percent of the developer’s loan for that property. A reasonable profit/fee (up to 15%) to the developer will be determined by the county. If all conditions are met, the county/lender will release the property or satisfy the mortgage.
Homebuyer: Loan is forgiven at the end of the loan term 15 years



Default: Developer: Failure on the part of the developer to receive a certificate of occupancy and transfer ownership to an income eligible buyer within 18 months of receiving the award will constitute a default.

Homebuyer: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; loss of homeowner's insurance; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence; or failure to pay property taxes. If any of these occur, the outstanding balance will be due and payable.

In the event of default, which is defined as not meeting the occupancy, eligibility and/or ownership requirements, the County may foreclose to recover funds made available for assistance which is secured by a mortgage and note on the property. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

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

- f. Recipient/Tenant Selection Criteria: For rehabilitated and new construction homeownership units, assistance will be provided on a first qualified, first served basis. The homebuyer must meet the following qualifications:
1. Qualify for a first mortgage through a qualified lender or approved not for profit sponsor providing first mortgage financing;
 2. Complete a HUD certified homebuyer education class within the 18 months prior to closing;
 3. Contribute a minimum of \$750 toward the purchase of the home.
 4. In all cases, the buyer receives the benefit of SHIP assistance in the form of reduced mortgage amount and classified as a first time homebuyer (no ownership during the 3-year period of the closing date.)
 5. Assistance cannot exceed 50% of the cost of the home including closing cost.
 6. Based on need homebuyer would be eligible for down payment assistance and closing cost. Assistance up to \$30,000 for very-low income buyers, \$20,000 for low income buyers and \$15,000 for moderate-income buyers. Loan is forgiven at the end of 5 years.
- g. Sponsor Selection Criteria: Request for proposals and/or open application process will be utilized to select a sponsor to implement these projects. Characteristics in determining the sponsor/developer may include, but not be limited to:
- Capacity and capability to carry-out project;
 - Scale of Project/Utilization of Density Bonuses;
 - Experience in completing similar projects;
 - Recapture provisions; and
 - Use of green building techniques.



h. Additional Information: N/A

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| E. Rental Development | Code 14, 21 |
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- a. Summary: Funds will be awarded to developers of affordable rental units that are awarded construction financing through other state or federal housing programs to construct or rehabilitate affordable rental units. This funding is intended to be used as gap financing required for the project. In cases where a smaller development (less than 50 units) is being proposed that includes Special Needs units, the county may choose to provide a larger amount of the overall construction financing.
- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$30,000 maximum per rental unit.
Project maximum: \$75,000 for developments over 50 units
\$175,000 for developments with 50 units or less that includes Special Needs units.
- e. Terms: Repayment loan/deferred loan/grant: For for-profit developers, funds will be awarded as a loan secured by a recorded subordinate mortgage and note. For non-profit developers, funds will be awarded as a forgivable loan secured by a recorded subordinate mortgage and note.
1. Interest Rate: The interest rate will be determined by type of developer requesting funds:
 - a) 0% for Non-profit developers who are contributing additional sources of subsidy that will be leveraged with SHIP funds.
 - b) 1.5% for For-profit developers who are contributing additional sources of subsidy that will be leveraged with SHIP funds.
 - c) 3% for For-profit developers who are not supplying additional subsidy funds.
 2. Years in loan term: 30 years
 3. Forgiveness: For non-profits, the loan is forgiven at the end of the term.
 4. Repayment: For-profits, the loan is due and payable at the end of the term unless the county negotiates an extended loan term to secure affordable rental units in the best interest of the county's residents.
 5. Default: For all awards, a default will be determined as: sale, transfer, or conveyance of property; conversion to another use; failure to maintain insurance on the units; failure to maintain standards for compliance as required by any of the funding sources. If any of these occur, the outstanding balance will be due and payable.
- f. Recipient/Tenant Selection Criteria: All applicants for residence in a SHIP-assisted unit must meet income qualifications of the program as determined and reported by the developer's management company for the development.
- g. Sponsor Selection Criteria: Developers will apply to the county through a RFA process that is open one time a year. The RFA will require proof of developer experience in providing affordable rental housing, proof of financial capacity, evidence of site control (or contract for sale), proof of ability to proceed once all funding is closed, and a housing unit design plan that meets with the county's



housing element in the Comprehensive Plan.

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

1. Are in areas of immediate need due to lack of available units.
2. Propose to preserve and improve existing units.
3. Meet local preferences deemed essential by the County.

All funding awards will be subject to closing on other funding sources.

- h. Additional Information: Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units.

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| F. Rapid Rehousing Assistance and Homeless Prevention-Rental | Code 13, 23, 26 |
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a. Summary: Funds will be awarded to renter households that are in need of assistance for: security and utility deposit assistance; and/or rent subsidies for up to 6 months.

Provide eviction prevention assistance (up to three months) and/or rapid re-housing assistance (up to six months).

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Very low and low
- d. Maximum award: \$9,000
- e. Terms:
1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant
 2. Interest Rate: N/A
 3. Years in loan term: N/A
 4. Forgiveness: N/A
 5. Repayment: N/A
 6. Default: N/A
- f. Recipient/Tenant Selection Criteria: Applicants who are homeless or at risk of homelessness (i.e., seeking eviction prevention) will be referred by the local Continuum of Care Coordinated Entry system, and be assisted on a first-qualified, first-served basis. Applicants with one or more special needs household members may apply directly to the CoC or may be referred to the CoC by a special needs service provider.
- g. Sponsor Selection Criteria: Polk County will issue a Request of Application (RFA) from eligible non-profit subrecipient organizations interested in administering Polk County's Rapid Rehousing strategy. Selection criteria include experience managing similar programs, background information on many applicants (e.g., through the Homeless Management Information System), and capacity to provide housing stability counseling.
- h. Additional Information: To be eligible for Rapid Rehousing assistance, recipient must be homeless as defined in S. 420.621. Assistance as necessary to help individuals living in shelters or in places



not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing. Eligible costs may also include utilities, rental application fees, last month's rent, and payments.

Eviction prevention will be provided to households who have fallen behind on their rent and have received an eviction notice. The recipients must show that they are able to continue making the monthly rental payments. Eligible reasons for falling behind on rent are as follows:

- Involuntary loss in pay due to unemployment/underemployment
- Divorce/separation resulting in a temporary loss in income
- Death of a spouse resulting in a loss in income
- Sudden, unforeseen medical payments
- Involuntary loss of verifiable income from other sources (temporary or permanent)

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| G. Foreclosure Prevention | Code 7 |
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| a. Summary: Funds will be awarded to qualified homeowners to retain their home by preventing foreclosure action on the first mortgage. Applicants must be delinquent at least <u>one</u> full mortgage payments but no more than six months in arrears. |
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b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023

c. Income Categories to be served: Very low and low

d. Maximum award: \$12,000

e. Terms:

1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred loan secured by a recorded subordinate mortgage and note.
2. Interest Rate: 0%
3. Years in loan term: 5 years
4. Forgiveness: Loan is forgiven at the end of the 5th year.
5. Repayment: Not required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence, failure to pay property taxes. If any of these occur, the outstanding balance will be due and payable.

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

f. Recipient/Tenant Selection Criteria: This strategy is designed to assist individuals who have fully amortizing mortgage. Assistance will provided only **one time** to applicants on a first qualified, first served basis. The homebuyer must meet the following qualifications:

1. Applicants must provide proof of arrearage in the form of notification from the mortgage holder.
2. Applicants must provide evidence of the hardship that caused the nonpayment of their mortgage. Eligible reasons are: loss of employment, sudden medical expenses, divorce or



separation, death in the immediate family and unforeseen home repairs bills.

3. Applicants must submit current income analysis, credit history, and employment history.
4. Applicants must attend and complete a budget, credit, or debt reduction course through a HUD approved counseling agency.
5. Applicants must provide written evidence of the ability to resume making monthly payments after the assistance is provided, which included an explanation of how the hardship has been overcome and a budget plan approved by the counseling agency.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Property shall have no other liens other than the first mortgage or grant lien to include SHIP, CDBG or NSP. No assistance will be provided to any property whose home is in the process of foreclosure.

This program is subject to fund availability and may not be awarded every fiscal year.

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| H. Disaster Assistance |
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| Code 5, 16 |
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| <p>a. Summary: The Disaster Strategy provides assistance to households following a disaster as declared 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 with additional disaster funds allocated by Florida Housing Finance Corporation. SHIP disaster funds may be used for items such as, but not limited to:</p> <ol style="list-style-type: none">(a) Purchase of emergency supplies for eligible households to weatherproof damaged homes;(b) Interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable;(c) Construction of wells or repair of existing wells where public water is not available;(d) Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies; <u>(Granted if under \$5,000)</u>(e) Security deposit for eligible recipients that have been displaced from their homes due to disaster;(f) Rental assistance for eligible recipients that have been displaced from their homes due to disaster.(g) Strategies included in the approved LHAP that benefit applicants directly affected by the declared disaster.(h) Other activities as proposed by the county and approved by Florida Housing. |
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b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023

c. Income Categories to be served: Very low, low and moderate

d. Maximum award: \$50,000

e. Terms:

1. Deferred loan/grant: All SHIP funds provided to eligible households will be in the form of a deferred payment loan secured by a recorded mortgage and note.
2. Interest Rate: 0 %
3. Years in loan term: 5 years



4. Forgiveness: Loan is forgiven at the end of the 5th year.
5. Repayment: Not required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: loss of homeowner's insurance, sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; failure to occupy the home as primary residence, or failure to pay property taxes. If any of these occur, the outstanding balance will be due and payable.

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

A grant may be provided for project service delivery costs, permits, septic tank pump outs, recording fees, and any other project related costs as approved by the Housing Manager.

- f. Recipient/Tenant Selection Criteria: First qualified, first served (1) Priority shall be given to persons who have special housing needs and individuals or household that qualify as Elderly as defined in 420.503, F.S.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: An applicant requesting an emergency repair will be required to:
 1. Allow the rehabilitation specialist to access the home for an inspection to determine the need for the repair.
 2. Provide proof of homeowner's insurance policy and any proof whether or not the insurance will cover any part of the repair.

Mobile homes will not be eligible for assistance. However, if there is an emergency accessibility hardship case involving a manufactured home, it will be evaluated based on the merits of the hardship claim, supporting documentation, as well as, the amount of assistance needed and is subject to HND management approval. Total funding for such hardship cases will not exceed the 20% of SHIP funds per Florida statutes.

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 Section 420.9076, F.S.:

- A. Name of the Strategy: **Expedited Permitting**
Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

Provide a description of the procedures used to implement this strategy: Polk County began implementation of expedited permitting for affordable housing in 1998. Building permits for single-family homes are issued the same day, while multi-family building permits may be processed within three (3) business days. Site construction plan review for affordable housing developments is 10 working days and plat review times are also 10 working days.



- 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.

Provide a description of the procedures used to implement this strategy: Polk County HND staff coordinates with other County departments regarding ordinances or regulations impacting affordable housing. Staff provides reports and updates to the AHAC for review and discussion at their regularly scheduled meetings. The AHAC provides staff with input and recommendations and HND prepares various reports for Polk County Board of County Commissioners (BoCC) consideration. Plan reviews are now conducted electronically through Project Dox.

- C. Other Incentive Strategies Adopted:

Name of Strategy: **Waiver of Impact Fees**

a. Established policy and procedures: Very low, low- and moderate-income eligible homebuyers may be eligible for impact fee waivers. Polk County has adopted Ordinance 07-18, as amended by Ordinances 07-35 and 07-40, which provides for the imposition of impact fees within the county, establishes certain exemptions for such impact fees, and sets forth the criteria for those exemptions.

Polk County Impact Fee Ordinance Section 2.06 Exemptions states the following:

SECTION 2.06 EXEMPTIONS

Any Residential Construction that qualifies as Affordable Housing and meets the following requirements:

a. Any Person seeking an Affordable Housing exemption for an owner-occupied residential construction shall file with the County Manager an Application for Exemption prior to the Impact Fee payment date pursuant to Section 2.01 for the proposed Residential Construction. The Application for Exemption shall contain the following:

- i. The name and address of the Owner;
- ii. The legal description of the Residential Construction;
- iii. The proposed selling price or the proposed rental price, as applicable;
- iv. A notarized affidavit affirming that the Residential Construction qualifies as Affordable Housing and that it shall be occupied by Low Income Persons or Very-Low-Income Persons;
- v. Evidence that the Residential Construction is part of a multi-family project, which is funded by a governmental affordable housing program, if applicable.
- vi. A copy of a fully executed and recordable lien upon the property in the amount of the Impact Fees waived hereunder and that requires the payment of the waived Impact Fees in the event the Residential Construction fails to meet the requirements of Affordable Housing as provided herein and as further set forth below.

b. For Residential Construction to receive an Affordable Housing exemption it must meet



all the restrictions of Affordable Housing as provided herein and these restrictions must continue for a period of at least seven (7) years from the date of issuance of a Certificate of Occupancy. Such restrictions must either be contained within the deed for the Residential Construction; the terms, restrictions and conditions of a direct government grant or subsidy that will fund the Residential Construction; or within the terms of a development agreement between the County and the Owner.

c. If the Residential Construction meets the requirements for an Affordable Housing exemption, the County Manager shall issue an exemption. The exemption shall be presented in lieu of payment of the Impact Fees.

d. The amount of the Impact Fees shall not be increased to replace any revenue lost due to the Affordable Housing Exemption.

e. In the event the Residential Dwelling Unit fails to meet the restrictions of Affordable Housing as provided herein within the 7-year period following the issuance of the Certificate of Occupancy such that the property no longer qualifies as Affordable Housing and is no longer occupied by Low-Income Persons or Very-Low-Income Persons, the Impact Fees in effect at the time of the change in circumstances shall be immediately due.

Polk County Impact fee Ordinance Section 2.09 Workforce Housing Impact Fee Mitigation states the following:

To be eligible for a Workforce Housing Impact Fee Mitigation, the Residential Construction must qualify as Workforce Housing and meet the following requirements:

1. Any Person seeking a Workforce Housing Impact Fee Mitigation for an Owner-occupied Residential Construction shall file with the County Manager a Polk County Impact Fee Mitigation Application for Workforce Housing prior to receiving a Certificate of Occupancy for the proposed Residential Construction. The Application shall contain the following:

- a. The name and address of the Owner;
- b. The legal description of the Residential Construction;
- c. The proposed selling price of the Residential Construction;
- d. A notarized *affidavit* affirming that the Residential Construction qualifies as Workforce Housing and that it shall be occupied by Moderate Income Persons;
- e. Evidence that the Residential Construction shall be occupied as the legal homestead of the Owner;
- f. A fully executed and recordable lien upon the Residential Construction in the amount of the Impact Fees mitigated here under and that contains a due on sale clause requiring the payment of the mitigated Impact Fees in the event the Residential Construction is sold within seven (7) years from the date of the issuance of a Certificate of Occupancy and no longer qualifies as Workforce Housing. Such lien shall have priority over all other liens except for taxes and other governmental liens and assessments.

2. Any Person seeking a Workforce Housing Impact Fee Mitigation for a rental Residential Construction located within a qualifying multi-family rental project shall file with the



County Manager a Polk County Impact Fee Mitigation Application for Workforce Housing prior to receiving a Certificate of Occupancy for the proposed Residential Construction. The Application shall contain the following:

- a. The name and address of the Owner;
- b. The legal description of the Residential Construction;
- c. The proposed rental rates;
- d. Evidence that the Residential Construction shall be occupied by Moderate Income Persons;
- e. Evidence that the Residential Construction is part of a multi-family project, which is funded by a governmental affordable housing program; and
- f. A copy of a fully executed and recordable lien upon the Residential Construction in the amount of the Impact Fees mitigated hereunder and that requires the payment of the mitigated Impact Fees in the event the Residential Construction fails to meet the restrictions of Workforce Housing as provided herein within the 7-year period following the issuance of the Certificate of Occupancy such that the property no longer qualifies as Workforce Housing and is no longer occupied by Moderate Income Persons. Such lien shall have priority over all other liens except for taxes and other governmental liens and assessments.

3. If the Residential Construction meets the requirements above for Owner occupied or rental Workforce Housing, it shall be eligible to receive a Workforce Housing Impact Fee Mitigation in the amount of 50% of the Impact Fees due for such Residential Construction, subject to the limitations on mitigation availability pursuant to paragraph G below.

4. When granted a Workforce Housing Impact Fee Mitigation, the Applicant shall annually submit to the County by December 31 a report demonstrating its continued eligibility for the Workforce Housing Impact Fee Mitigation. In the event the Residential Construction fails to meet the restrictions of the Workforce Housing Impact Fee Mitigation as provided herein within the 7-year period following the issuance of the Certificate of Occupancy such that the property no longer qualifies as Workforce Housing and is no longer occupied by Moderate-Income Persons, the mitigated Impact Fee amount shall be immediately due and payable.

5. Any Applicant or Owner who submits an Application for Workforce Housing Impact Fee Mitigation pursuant to this Section and desires the immediate issuance of a Certificate of Occupancy prior to approval of the application shall pay prior to the issuance of the Certificate of Occupancy the Impact Fees imposed herein or pursuant to an Annual Rate Resolution. Any difference between the amount paid and the amount due, should the County Manager approve and accept the application, shall be refunded to the Applicant or Owner.

F. The amount of the Impact Fees shall not be increased to replace any revenue lost due to the Workforce Housing Mitigation Program.

G. To provide certainty for annual budgeting and capital improvement planning for the Capital Facilities, the total amount of Workforce Housing Impact Fee Mitigation granted pursuant to this Section shall not exceed \$250,000 in any fiscal year, without the direction and approval of the



Board.

Name of Strategy: **Inventory of Publicly Owned Land Suitable for Affordable Housing**

a. Established policy and procedures: Polk County maintains a list of properties that are suitable for affordable housing and open to public sale. This inventory list is available on the County website and is a tool that can be used by interested developers to encourage increased production of affordable housing.

Name of Strategy: **The Support of Development near Transportation Hubs, Employment Centers and Mixed-Use Developments**

a. Established policy and procedures: The Polk County Comprehensive Plan encourages development to locate near transportation hubs, major employment centers and promotes mixed use- developments. The goal of the Polk County Comprehensive Plan is “To achieve an economically viable, efficient, safe, quality-living environment, through balanced and compact growth, compatible land use patterns, and wise use of economic and physical resources, while protecting and the natural environment”.

In addition, the Polk County Comprehensive Plan discourages urban sprawl and outlines criteria to follow when determining the appropriateness of establishing or expanding any land use or development area, in accordance with the Florida Administrative Code. The Urban Sprawl Criteria are outlined in Policy 2.102-A10 of the Polk County Comprehensive Plan.

Policy 2.102-A11: Urban Sprawl Criteria In accordance with Rule 9J-5.006(5) of the Florida Administrative Code, Polk County will discourage the proliferation of urban sprawl by use of the following criteria when determining the appropriateness of establishing or expanding any land use or development area. The analysis must ask whether or not the proposed plan amendment:

- a. Promotes allows or designates for development substantial areas of the jurisdiction to develop as low-intensity, low-density, or single-use development or uses in excess of demonstrated need.
- b. Promotes, allows or designates significant amounts of urban development to occur in rural areas at substantial distances from existing urban areas while leaping over undeveloped lands which are available and suitable for development.
- c. Promotes, allows or designates urban development in radial, strip isolated or ribbon patterns generally emanating from existing urban developments.
- d. As a result of premature or poorly planned conversion of rural land to other uses, fails to adequately protect and conserve natural resources, such as, wetlands, floodplains, native vegetation, environmentally sensitive areas, natural shorelines, beaches, bays, estuarine system and other natural systems.
- e. Fails to adequately protect adjacent agricultural areas and activities including Silviculture and active agricultural and Silvicultural activities as well as passive agricultural activities and dormant, unique and prime farmlands and soils.
- f. Fails to maximize use of existing public facilities and services.



- g. Fails to minimize the use of future public facilities and services.
- h. Allows for land use patterns or timing which will disproportionately increase the cost in time, money and energy, of providing public facilities and services including roads, potable water, sanitary sewer, storm water management, law enforcement education health care, fire and emergency response, and general government.
- i. Fails to provide a clear separation between urban and rural uses.
- j. Discourages or inhibits in-fill development or redevelopment.
- k. Fails to encourage an attractive and functional mix of land uses.
- l. Results in poor accessibility among linked or related land uses.
- m. Results in the loss of a significant amount of functional open space.

IV. EXHIBITS:

Required

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.

Optional

- F. Ordinance: (If changed from the original creating ordinance). N/A - No change in original creating ordinance.
- G. Interlocal Agreement. – N/A
- H. Other Documents Incorporated by Reference. – Polk County Subordination Policy