

**CHARLOTTE COUNTY, FLORIDA**  
**SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**  
**FISCAL YEARS COVERED**  
**JULY 1, 2008 – JUNE 30, 2011**

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**I. PROGRAM DESCRIPTION:**

**A. Name**

The Charlotte County Housing Assistance Plan (the "Plan") for the fiscal years beginning July 1, 2008 and ending June 30, 2011 was approved by the Charlotte County Board of County Commissioners on April 22, 2008. An update to the Plan was approved on \_\_\_\_\_.

Interlocal: Yes  No

Name of participating local government(s) in the Interlocal Agreement:  
Punta Gorda, Florida

*A copy of the Interlocal Agreement is attached as Exhibit H.*

**B. Purpose of the program:**

Creation of the Plan is for the purpose of meeting the housing needs of 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:**

2009  
2010  
2011

**D. Governance:**

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37.007 Florida Administrative Code. The SHIP Program does further the housing element of the local government Comprehensive Plan. Cities and County must be in compliance with Program Statute and Rule.

**E. Local Housing Partnership**

SHIP Program encourages building active partnerships between government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups. A broad range of affordable housing interests have participated in the partnership since program inception, including non-profit corporations, lending institutions, real estate developers, and for profit corporations. One such effort led to the development of the Cornerstone Program and a down payment and closing cost assistance program that continues to attract millions of dollars in first mortgages to lower income homeowners.

A principal participant in the housing partnership is the Housing Corporation of Charlotte County, Inc., a non-profit organization developed by the Charlotte County Board of County Commissioners in 1989. The Housing Corporation evolved during the first two years of the SHIP program and has become the implementing agency for the SHIP

funded activities.

**F. Leveraging**

The Plan increases 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 developers in order to obtain federal housing grants or programs.

Local lenders participating in the SHIP Cornerstone Program provide SHIP recipients fixed rate mortgages at below market rate interest and with waivers of most fees, enabling local households to obtain housing at affordable costs.

**G. Public Input:**

The Charlotte County Affordable Housing Advisory Committee held three public workshops on May 23, 2007, June 27, 2007, and July 25, 2007 to consider uses for Charlotte County's annual allocation of SHIP funds for each of the three fiscal years covered by this Plan. The public meeting was advertised in the local *Charlotte Sun* newspaper and the public was invited to participate. The Committee voted at its March 26, 2008 meeting to recommend the Plan to the Charlotte County Board of County Commissioners on April 22, 2008.

Additional public input about the SHIP program is received at the end of each of the regularly scheduled meetings of the Affordable Housing Advisory Committee, typically held the fourth Wednesday of each month.

For the proposed revision to the Local Housing Assistance Plan, input was sought from the Affordable Housing Advisory Committee and incorporated into the revisions. The revised plan was then brought before the Committee at a public meeting on December 17, 2008. Public input was invited at this meeting.

**H. Advertising and Outreach**

Charlotte County or its administrative representative shall advertise the notice of funding availability in a local newspaper of general circulation at least 30 days before the beginning of the application period. Applications for disaster assistance may be accepted immediately following a declared disaster with advertising to follow as soon after as practical. If no funding is available, no notice of funding availability is required.

**I. Discrimination**

In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing. All SHIP advertisements and selection processes will conform to the anti-discrimination laws that make it unlawful to discriminate on the basis of race, creed, color, religion, age, sex, marital or familial status, national origin, or handicap in the award of program benefit.

**J. Support Services and Counseling**

The Cornerstone Program provides down payment and closing cost assistance to qualified households. The program requires participants to attend a home ownership training program that utilizes the Fannie Mae approved homeownership training guide. The program is conducted by the Charlotte County Homebuyers Program and offers homeowner counseling free of charge to all program participants. Participants in the Cornerstone Program receive below market rate interest for fixed rate mortgages and waivers of most fees.

The Homebuyers Program offers homeownership counseling, both individually and group, to assist potential homebuyers to position themselves to become homeowners. Counselors aid participants in creating workable budgets, repairing credit reports, and dealing with problems hindering their ability to become homeowners. The program is open to all residents of Charlotte County at all income levels regardless of their participation in other SHIP programs. They are served on the basis of first come, first served. The program does not currently limit the number of participants.

Construction and rehabilitation assistance is provided free of charge to all program participants by certified construction technicians in the Housing Rehabilitation Program. State certified inspection agencies survey the homes of eligible participants before rehabilitation is approved and again before payment is made to ensure the appropriateness of rehabilitation.

Habitat For Humanity of Charlotte County, Inc. provides "family nurturing" for homes assisted with SHIP funds. Family nurturing includes a broad range of support services to ensure the household will assimilate to homeownership with the least disruption in their lives.

New construction of rental housing assisted with SHIP funds will be selected in a public competition giving preference to developers who limit rent increases and to those who provide day care, down payment assistance via escrow of a portion of rents, computer laboratories, and similar social services available to all residents. Additional preference will be given to those developers who commit to providing employment opportunities for people transitioning from welfare to self-sufficiency.

Additional assistance for foreclosure counseling will be made available through this revision. This counseling will come from HUD-certified foreclosure counselors. It is a requirement for receiving funds from the foreclosure prevention strategies.

**K. Purchase Price Limits:**

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 Punta Gorda Metropolitan Statistical Area. The average area purchase price may be that calculated for any 12month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs.

The methodology used is:

- Independent Study (copy attached)  
 U.S. Treasury Department  
 Local HFA Numbers

The purchase price limit for new and existing homes is shown on the Housing Delivery Goals Charts.

**L. Income Limits, Rent Limits and Affordability:**

The Income and Rent Limits used in the SHIP Program are updated annually from the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. 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 percent of its income for housing, and housing for which a household devotes more than 30 percent 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 percent benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

**M. Welfare Transition Program**

Charlotte County has developed a qualification system and selection criteria for applications for awards to eligible sponsors which includes a description that demonstrates how eligible sponsors that employed personnel from the Welfare Transition Program will be given addition scoring in the selection process. Beginning with the 2009-2010 fiscal year, new contracts with sub-recipients will require prioritizing employment through the Welfare Transition Program.

**N. Monitoring and First Right of Refusal**

In the case of rental housing, Charlotte County or an entity to which the County has contracted for implementing the local housing assistance plan rental strategies shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides the same monitoring and determination, Charlotte County may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for at least 15 years or the term of assistance whichever is longer unless as specified above.

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

**O. Administrative Budget**

A detailed listing including line-item budget of proposed Administrative Expenditures is attached as Exhibit A. These are presented on an annual basis for each State fiscal year submitted. The moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan, according to Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, which provides:

“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. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.”

*Charlotte County has adopted these findings in the attached resolution, Exhibit E.*

- O. Program Administration:** Charlotte County assumes responsibility for the local housing assistance plan, in cooperation with the City of Punta Gorda as specified in the attached Interlocal agreement. Since Plan inception, Charlotte County has contracted with a qualified nonprofit to implement the Homeowner Strategies of the Plan. The Housing Corporation of Charlotte County, Inc., a non-profit organization developed by the Charlotte County Board of County Commissioners in 1989, has implemented the SHIP program since that time and has leveraged County dollars to expand and provide additional housing opportunities.

Charlotte County shall advertise the receipt of SHIP funds and solicit qualified nonprofit entities to submit a proposal to implement the homeowner strategies of the Plan for the three years covered by the Plan. The solicitation shall be in a local newspaper of general circulation and provide at least a 30 day window for applicants to submit proposals.

The duties include implementation of all homeowner strategies including, but not limited to, accepting applications, verifying household income and eligibility, conducting mortgage closings, maintaining assistance files and data, and providing information and assisting in preparation of annual reports and audits.

Qualified non-profit organizations must be established under the laws of the State of Florida, and in receipt of a letter from the Internal Revenue Service indicating that the organization is recognized as tax exempt, pursuant to Section 501©(3) of the Internal Revenue Code. The organization must be established for the purpose of providing housing services, and it must have been operating in Charlotte County with paid staff for at least two years prior to the date of this notice. Organizations must have internet capabilities at the time the selection of an organization to administer the SHIP program is

considered by the Board of County Commissioners.

The selection criteria will rank experience in affordable housing and its understanding of the SHIP program, residential mortgage underwriting principles, especially income verification procedures. Sponsor proposals shall address how the organization would administer the various SHIP strategies, the number of paid staff dedicated to the delivery of SHIP strategies, other activities of paid staff and the anticipated impact of those activities on the operation of the organization. The scoring below will be utilized to rank sponsor applicants

**Selection Criteria**

Understanding of SHIP program rules	15 points maximum
Number of paid staff with at least two years relevant experience	10 points maximum
Other activities and anticipated impact of those on operation	5 points maximum

**P. Essential Service Personnel**

Charlotte County's Essential Service Personnel are those personnel providing basic functions essential to the community such as: Teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, skilled building trades personnel, sanitary and utility personnel, postal personnel, and other personnel providing for basic health, safety and welfare up to 120% Area Median Income (AMI) and other personnel at 80% of AMI or less, subject to SHIP set asides.

The Plan includes a variety of strategies to retain and recruit essential service personnel in order to positively impact the economic and social growth of the community. Down payment assistance, community land trust assistance, and single family construction and rehabilitation will provide assistance to essential personnel living in the community or moving into the community to accept a job essential to the economic and social growth of the community.

The foreclosure prevention strategy will assist current essential service personnel retain ownership of their homes. Non-SHIP assistance through the Human Services Department is available for renters struggling to make rental and essential utility payments.

## **II. LHAP HOUSING STRATEGIES:**

### **A. Home Ownership Purchase Assistance: "The Cornerstone Program"**

#### **a) Summary**

The Cornerstone Program provides down payment and closing cost assistance to qualified households to purchase new or existing single family or condominium homes. All homes purchased with Cornerstone Program Assistance must be the primary residency of the recipient and may not be used as a rental unit.

Homes purchased in this strategy may be purchased utilizing the mortgage revenue bond programs approved by Florida Housing Finance Corporation or provided by Charlotte County Housing Finance Authority if these programs also conform to the guidelines of the Cornerstone Program.

#### **b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

#### **c) Income Category Served**

Very low, low, and moderate incomes will be served by this activity. However, priority will be given to very-low and low-income families. Moderate income households may be served if adequate funds are available. Ten percent (10%) of allocated down payment assistance funds will be reserved for the first nine months of each State fiscal year for down payment assistance to households deprived of affordable housing due to the closure of mobile home parks or the conversion of affordable rental units to condominiums.

#### **d) Maximum award**

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

#### **e) Terms, Recapture and Default Provision**

SHIP assistance is provided in the form of a deferred loan with 0% interest. The term of the loan is 30 years, payable in full as program income after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance.

#### **f) Recipient Selection Criteria**

Other than the above reserve, selection will be on a first come, first ready, first serve basis, following receipt of an application, income qualification, attendance at an approved home ownership training program, first mortgage approval, and a purchase contract for a home.

#### **g) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration."

**h) Additional Information**

Not applicable

***B. Housing Rehabilitation***

**a) Summary**

Homeowner Rehabilitation Program provides SHIP assistance to rehabilitate and/or add hurricane mitigation/hardening features to single family and condominium units. All homes rehabilitated with SHIP assistance must be the primary residence of the recipient and may not be used as a rental unit.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low and low incomes homeowners who have not been previously assisted with SHIP funds will be served by this activity. Exceptions to the prohibition of homeowners previously assisted shall be homeowners required to hook up to new sewer, septic, or any other public utility need to meet health and safety issues lines after SHIP assistance is provided or those needing assistance following a major disaster. Moderate income households may be served if adequate funds are available.

**d) Maximum award**

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

**e) Terms, Recapture and Default Provision**

SHIP assistance is provided in the form of a deferred loan with 0% interest. The term of the loan is 30 years, payable in full as program income after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance.

**f.) Recipient Selection Criteria**

Selection will be on a first come, first ready, first serve basis, following receipt of an application, income qualification, and first mortgage approval if applicable. If the applicant has an existing SHIP mortgage from down payment assistance through the Cornerstone Program, they will be eligible for rehab assistance five years from the date of the signed SHIP mortgage agreement. If the applicant has an existing SHIP mortgage from previous rehab assistance, they will be eligible for additional assistance 15 years from the date of the signed SHIP mortgage agreement.

**g.) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration."

**h) Additional Information**

***C. Housing Construction***

**a) Summary**

Single Family Housing Construction is for the costs associated with construction or acquisition/rehabilitation of single family homes that are then sold to qualified very low or low income households.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low and low income households will be served by this activity. Moderate income households may be served if adequate funds are available.

**d) Maximum award**

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

**e) Terms, Recapture and Default Provision**

SHIP assistance may be provided in the form of downpayment assistance to the purchaser of the completed home. The assistance will be in the form of a deferred loan with 0% interest to the income eligible applicant home. The term of the loan is 30 years, payable in full as program income after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance.

Alternatively, assistance may be provided as a loan directly to the developer, repayable at the time of sale to an income-eligible household with 0 percent interest.

**f) Recipient Selection Criteria**

Selection of households for constructed homes will be on a first come, first ready, first serve basis, following receipt of an application, income qualification, attendance at an approved home ownership training program, and first mortgage approval.

**g.) Sponsor selection criteria, if applicable**

Not for Profit developers will be selected as sponsors through a competitive process. Selection criteria will give priority to proposals with the maximum number of units produced at the lowest

per unit (SHIP) cost and leveraging provided from other approved private or public funding sources. Additional scoring will be given sponsors that employ or agree to employ personnel from the WAGES or Workforce Development Initiatives Program. Other scoring incentives will be for green building design and the use of local labor in the home construction. In addition, preference will be given to Sponsors seeking to build homes within the designated Neighborhood Revitalization Area or within close proximity to existing employment centers.

A for-profit developer may be eligible for funding under this strategy only for developments within the Neighborhood Revitalization Area or within one mile of a major employment center such as Murdock Circle or others as designated in the Notice of Funding Availability.

**h) Additional Information**

Not applicable.

***D. Foreclosure Prevention***

**a) Summary**

The Foreclosure Program provides SHIP assistance to qualified homeowners of single family and condominium units to prevent foreclosure. All households receiving SHIP assistance must be the primary residence of the recipient and may not be used as a rental unit. Recipients will be provided assistance regardless of balances on any other SHIP mortgage.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low, low and moderate income homeowners will be served by this activity. Participation in a Certified HUD Credit Counseling Program is required. Receipt of prior SHIP assistance is not required. However, homeowners with SHIP mortgages will be given priority.

**d) Maximum award**

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

**e) Terms, Recapture and Default Provision**

The award of SHIP assistance is provided in the form of a forgivable loan with 0 percent interest. The term of the loan is 30 years, forgivable after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance.

**f.) Recipient Selection Criteria**

Selection will be on a first come, first ready basis, following receipt of an application, income qualification and completion of a workout plan with a Certified HUD Credit Counselor.

**g.) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration."

**h) Additional Information**

Not applicable.

***E. Foreclosure Prevention, Extended Home Protection***

**a) Summary**

The Foreclosure Program provides SHIP assistance to qualified homeowners of single family and condominium units to prevent foreclosure. All households receiving SHIP assistance must be the primary residence of the recipient and may not be used as a rental unit. Recipients will be provided assistance regardless of balances on any other SHIP mortgage. To be qualified, at least one of the primary income providers in the household must be able to provide proof of job loss or a minimum 30 percent reduction in income within the past six months due to changing economic conditions with proof provided that the job loss and/or income reduction were due to no fault of their own.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low, low and moderate income homeowners will be served by this activity. Receipt of prior SHIP assistance is not required. However, homeowners with SHIP mortgages will be given priority.

**d) Maximum Award**

The total maximum award is \$12,400. This will include funds to bring a mortgage current as well as funds to provide a small supplementary mortgage payment for six to eight months.

**e) Terms, Recapture and Default Provision**

SHIP assistance is provided in the form of a forgivable loan with 0 percent interest. The term of the loan is 30 years, forgivable after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance.

A portion of this money may be recaptured if all funds are not necessary to bring the household to financial stabilization or if the household members fail to participate in appropriate credit and employment counseling services.

**f.) Recipient Selection Criteria**

Selection will be on a first come, first ready basis, following receipt of an application, income qualification and completion of a workout plan with a Certified HUD Credit Counselor. Participation in a Certified HUD Credit Counseling Program is required. In addition, applicants must register with no less than two employment service agencies, including the Career and Services Center of Southwest Florida. Recipients must be able to provide proof that they are unemployed or have experienced a reduction in income of no less than 30 percent due to no fault of their own.

**g.) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration."

**h.) Additional Information**

Not applicable.

***F. Community Land Trust***

**a) Summary**

The Community Land Trust program provides SHIP funds for down payment assistance or construction funds for single family and condominium units created by local community land trusts. All homes purchased with SHIP assistance must be the primary residence of the recipient and may not be used as a rental unit.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low income households will be served by this activity. Ten percent of allocated down payment assistance funds will be reserved for the first nine months of each State fiscal year for down payment assistance to households deprived of affordable housing due to the closure of mobile home parks or the conversion of affordable rental units to condominiums.

**d) Maximum award**

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

**e) Terms, Recapture and Default Provision**

SHIP assistance is provided in the form of a deferred loan with 0% interest. The term of the loan is 30 years, payable in full as program income after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance. If the property is sold to an eligible

recipient the new homeowner will need to be recertified and execute new SHIP documents for existing subsidy.

**f) Recipient Selection Criteria**

Selection of qualified applicants shall be made based upon the following scored and ranked process, following income verification and approval of the household for SHIP assistance. Points for household size and financial preparedness will be totaled with the applicants scoring the highest given priority. A Disaster victim will be awarded fifteen additional points. Recipients must receive at least ten (10) points to be eligible for this assistance.

- Single Parent (15)
- Married/Other Adult with Children (10)
- Married/Other Adult (5)
- Single (0)
- Lender Approved (15) \_\_\_\_\_
- Lender Approval Pending (10)
- Homebuyers Program Action Plan (5)
- No plan (0) \_\_\_\_\_
- Disaster Victim (15) \_\_\_\_\_
- Non-Disaster Victim (0) \_\_\_\_\_

**g.) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration."

**h) Additional Information**

This strategy is intended to provide an additional layer of assistance to very-low-income households purchasing a home through the Community Land Trust. It may be layered with an award from the downpayment assistance strategy.

***F. Disaster Recovery/Mitigation***

**a) Summary**

Unencumbered Charlotte County SHIP funds in Home Ownership and Non-Home Ownership Strategies may be used to provide emergency replacement of or repairs to homes owned and occupied by low and very low income households damaged as a result of a disaster that has been declared by Executive Order by a national or state authority. Emergency repairs that are not covered by insurance shall be eligible for assistance.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low, low, and moderate incomes will be served by this activity.

**d) Maximum award**

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

**e) Terms, Recapture and Default Provision**

SHIP assistance is provided in the form of a deferred loan with 0% interest. The term of the loan is 30 years, payable in full as program income after 30 years. Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out or bills paid require full repayment as program income at time of refinance.

**f) Recipient Selection Criteria**

Selection will be on a first come, first ready, first serve basis, following receipt of an application, income qualification, attendance at an approved home ownership training program if applicable, and first mortgage approval if applicable.

**f) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration."

**g) Additional Information**

Rehabilitation assistance shall include the purchase of emergency supplies to weatherproof damaged homes; interim repairs to avoid further damage; tree and debris removal required to make individual housing units inhabitable; and other post disaster, housing rehabilitation assistance that are not insured or otherwise subject to reimbursement. To expedite funding to those most in need after a disaster, 30 days notice of fund availability will not be required for disaster recovery assistance. However, the availability of funding will be advertised.

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***G. Rental, Housing Authority Housing***

**a) Summary**

Rental, Housing Authority Strategy is for the rehabilitation or construction of public housing units occupied by qualified households.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this Strategy.

**c) Income Category Served**

Very low income households will be served by this activity. The Housing Authority will utilize its approved selection policy, which consists of a "first come, first served" waiting list for apartments.

**d) Maximum Award**

The maximum award and level of funding for each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as a part of the Plan.

**e) Terms, Recapture and Default Provision**

SHIP assistance will be given in the form of a forgivable loan to a public housing authority. The term of the loan is 15 years. Additional conditions in the loan documents provide the funds will be recaptured at 0% interest if the property is sold or no longer used as affordable rental units that are available to low and very low income households. If property is offered for sale before 15 years, the housing authority must give a first right of refusal to eligible non-profit organizations for purchase at the current market value for continued occupancy by eligible households. Mortgage documents shall include provisions for recapture in the event that rental housing is no longer affordable to lower income households. Repayment of the principal is immediately due in full in the event of default.

**f) Recipient Selection Criteria**

All tenants in units funded through this strategy must be very-low-income households at or below 50 percent of the Area Median Income.

**g) Sponsor Criteria**

Participation will be limited to rental property operated by a public housing authority. The housing authority or its development partner shall propose rehabilitation or construction of specified apartments or housing complexes with selection awarded to the proposal with the lowest SHIP funded rehabilitation or construction cost per unit.

**h) Additional Information**

All property receiving SHIP assistance must be rented at prices that are affordable in accordance with guidelines provided by HUD and distributed by Florida Housing Finance Corporation. Rent limits are provided annually by HUD and distributed by Florida Housing Finance Corporation. Rent limits must be in accordance with program regulations. Housing Authorities selected for participation in the strategy shall be required to report to the County the income eligibility of tenants on an annual basis for 15 years. The County shall use the information reported in the annual SHIP Report submitted to the Florida Housing Finance Corporation.

***H. Rental Non-Profit/Special Needs Housing***

**a) Summary**

Rental Non-Profit Housing Strategy is designed to assist in the rehabilitation or construction of rental housing owned and operated by non-profit or special needs organizations for very low or low income households.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this Strategy.

**c) Income Category Served**

Very low income households will be served by this activity.

**d) Maximum Award**

The maximum award and level of funding for each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as a part of the Plan.

**e) Terms, Recapture and Default Provision**

SHIP assistance will be given in the form of a forgivable loan at 0% interest to the income eligible applicant of the rehabilitated or constructed housing. The term of the loan is 15 years. Additional conditions in the mortgage provide that the funds will be recaptured if the property is sold or no longer used as rental housing affordable to low income households. Repayment of the principal is immediately due in full in the event of default.

Selected sponsors offering rental housing for sale before 15 years or who have remaining mortgages funded under this program must give a right of first refusal to eligible non-profit organizations at the current market value for continued occupancy by eligible persons. Selected sponsors shall be required to report to the County the income eligibility of tenants on an annual basis for 15 years. The County shall use the information reported in the annual SHIP Report submitted to the Florida Housing Finance Corporation.

**f) Recipient Selection Criteria**

All tenants in units funded through this strategy must be very-low-income households at or below 50 percent of the Area Median Income. The specific selection criteria will be determined by the developer assuming compliance with all fair housing laws.

**g) Sponsor Criteria**

Non-profit and special needs organizations seeking to operate rental housing for low and very low income households will be eligible to submit applications for SHIP funds to rehabilitate or construct rental housing. Applications will be ranked in accordance with specific scoring criteria based on County preferences and development needs. Scoring will be based on the experience of the developer, project readiness, community need, green and universal design features, and willingness to employ local labor as well as hiring from the Welfare Transition Program. The application may be modified to reflect local preferences for housing for elderly households, special needs, and extremely low income households. Criteria may also be amended to reflect a desire for development within a specific infill area in Charlotte County, including the Neighborhood Revitalization Area, within one mile of a major employment center such as Murdock Circle, or within the City of Punta Gorda. A selection committee will be chosen by the Charlotte County Housing Manager which shall include at least one member of the Affordable Housing Advisory Committee or, in the case of fewer than five applications, may be scored directly by the Affordable Housing Advisory Committee. Applications will be ranked in descending order with applications receiving the highest score ranked first. In the case of a tie after applications have been ranked, the Board of County Commissioners shall select applications at a public meeting after considering recommendations of the ranking committee. The decision of the Board of County Commissioners shall be final.

**h) Additional Information**

All property receiving SHIP assistance must be rented at prices that are affordable in accordance with guidelines provided by HUD and distributed by Florida Housing Finance Corporation. Rent limits are provided annually by HUD and distributed by Florida Housing Finance Corporation.

Rent limits must be in accordance with program regulations. Agencies selected for participation in the strategy shall be required to report to the County the income eligibility of tenants on an annual basis for 15 years. The County shall use the information reported in the annual SHIP Report submitted to the Florida Housing Finance Corporation.

### ***I. Rental, For Profit New Construction or Rehab***

#### **a) Summary**

Rental, For Profit New Construction Strategy is designed to assist in the new construction of rental housing or rehabilitation of existing properties by For Profit developers. The Strategy will provide a source of funds that may be used as local contribution in the HOME Program, the State Apartment Improvement Loan (SAIL) Program and the Housing Credit Program administered by the Florida Housing Finance Corporation or other public funding received for affordable housing initiatives. These funds may also be combined with bonds provided by the Charlotte County Housing Finance Authority.

#### **b) State Fiscal Years Covered**

The three state fiscal years beginning July 1, 2008 and ending July 1, 2011 will be used for this strategy. The level of funding for each fiscal year is specified on the Housing Goals Charts attached, which are herein adopted as a part of the Plan.

#### **c) Income Category Served**

Very low income households will be served by this activity.

#### **d) Maximum Award**

The maximum award and level of funding for each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as a part of the Plan.

#### **e) Terms, Recapture and Default Provision**

SHIP funds for this Strategy will be provided in the form of a loan to be repaid as program income in semi-annual payments beginning after 80% of occupancy and continuing over a period of 30 years at a 2 percent interest rate. A 1 percent interest rate may be available to properties in which at least 75 percent of the units are set-aside for households earning 50 percent or less of Area Median Income (AMI) or if 30 percent of the units are set-aside for special needs households such as disabled, very-low-income, homeless, or households transitioning out of homelessness. The loan shall be secured by mortgage documents that subject the mortgagee to the recapture provisions of 6737.007(12), Florida Administrative Code. In the event the local SHIP mortgage and the primary mortgage have different restrictions on the same issue, the more restrictive regulation shall take precedence.

Selected developers shall be required to report to the County the income eligibility of tenants on an annual basis for 15 years. The County shall use the information reported in the annual SHIP Report submitted to the Florida Housing Finance Corporation.

#### **f) Recipient Selection Criteria**

All tenants in units funded through this strategy must be very-low-income households at or

below 50 percent of the Area Median Income. The specific selection criteria will be determined by the developer assuming compliance with all fair housing laws.

**g) Sponsor Criteria**

Non-profit and special needs organizations seeking to operate rental housing for low and very low income households will be eligible to submit applications for SHIP funds to rehabilitate or construct rental housing. Applications will be ranked in accordance with specific scoring criteria based on County preferences and development needs. Scoring will be based on the experience of the developer, project readiness, community need, green and universal design features, and willingness to employ local labor as well as hiring from the Welfare Transition Program. The application may be modified to reflect local preferences for housing for elderly households, special needs, and extremely low income households. Criteria may also be amended to reflect a desire for development within a specific infill area in Charlotte County, including the Neighborhood Revitalization Area, within one mile of a major employment center such as Murdock Circle, or within the City of Punta Gorda. A selection committee will be chosen by the Charlotte County Housing Manager which shall include at least one member of the Affordable Housing Advisory Committee or, in the case of fewer than five applications, may be scored directly by the Affordable Housing Advisory Committee. Applications will be ranked in descending order with applications receiving the highest score ranked first. In the case of a tie after applications have been ranked, the Board of County Commissioners shall select applications at a public meeting after considering recommendations of the ranking committee. The decision of the Board of County Commissioners shall be final.

**h) Additional Information**

All property receiving SHIP assistance must be rented at prices that are affordable in accordance with guidelines provided by HUD and distributed by Florida Housing Finance Corporation. Rent limits are provided annually by HUD and distributed by Florida Housing Finance Corporation. Rent limits must be in accordance with program regulations. Agencies selected for participation in the strategy shall be required to report to the County the income eligibility of tenants on an annual basis for 15 years. The County shall use the information reported in the annual SHIP Report submitted to the Florida Housing Finance Corporation. In the event the Developers primary financing and the local LHAP have different restrictions on the same issue, the more restrictive regulation shall take precedence.

***J. Renter Eviction Prevention***

**a) Summary**

The Renter Eviction Program provides a SHIP grant to qualified renters in order to prevent eviction. All households receiving SHIP assistance must be the primary, year-round residence of the recipient and may not be used as for seasonal occupancy. To be qualified, renters must have lost their job or suffered a minimum 30 percent reduction income within the past six months due to changing economic conditions.

**b) State Fiscal Years Covered**

Three state fiscal years beginning July 1, 2008 and ending June 30, 2011 will be used for this activity.

**c) Income Category Served**

Very low and low-income homeowners will be served by this activity.

**d) Maximum award**

The maximum award for this strategy will be \$3,000.

**e) Terms, Recapture and Default Provision**

SHIP assistance will be provided in the form of a grant up to \$3,000.

**f.) Recipient Selection Criteria**

Selection will be on a first come, first ready basis, following receipt of an application, income qualification and completion of a workout plan with a certified credit counselor. Participation in a credit counseling program is required. In addition, applicants must register with no less than two employment service agencies, including the Career and Services Center of Southwest Florida. Recipients must be able to provide proof that they lost their job or experienced a minimum 30 percent reduction in income through no fault of their own. They must also provide a signed 12-month lease for their rental unit that will not expire within the period of assistance.

**g.) Sponsor selection criteria, if applicable**

See Section I, Subsection P, "Program Administration." This program will be administered by the non-profit selected to oversee the homeowner strategies.

**h) Additional Information**

To be eligible to receive assistance, the owner of the rental unit must provide a statement indicating that the unit will be available for the term of the assistance and is not in danger of foreclosure.

**K. Impact Fee Incentive Fund Proposed Uses:**

\$2,000,000	TOTAL	Units	Other Subsidy
\$1,400,000	\$35,000 down payment for households at or below 50% AMI – Habitat <b>Allow for the use either for the purchasing of properties or as Down Payment Assistance</b>	40	None HFH \$\$
\$360,000	\$20,000 for down payment for households 51-80% AMI -- Housing Corp	18	NSP
\$240,000	\$15,000 for down payment for households 81-120% AMI -- Housing Corp	16	NSP
		74	

Down Payment Program:

Maximum award to \$35,000 for households earning 50% AMI or less

These funds will be reserved for Habitat for Humanity

**Habitat for Humanity is allowed to use these funds for either the purchase of properties removing them from the inventory of available houses for sale and completing the construction to ready for occupancy for qualified households.**

Down payment assistance of up to \$15,000 available for moderate income households (81 to 120% AMI)

Foreclosure Prevention: Maximum award from \$10,000 to \$15,000

Foreclosure, Extended Home Protection: Maximum award from \$12,400 to \$17,400

Homeowner Rehab Maximum award from \$30,000 to \$50,000 with the understanding that many households will not receive the maximum award

## ***L. Florida Homebuyer Opportunity Program***

### **a. Summary of the Florida Homebuyer Opportunity Program Strategy**

This strategy is designed in response to the legislative proviso requiring SHIP local governments to expend 2009-2010 funds to ensure that residents of the state derive the maximum possible economic benefit from the federal first time homebuyer tax credit created through The American Recovery and Reinvestment Act of 2009 by providing subordinate down payment assistance loans to first time homebuyers for owner occupied primary residences that can and should be repaid by the income tax refund the homebuyer is entitled to under the First Time Homebuyer Credit. The state program shall be called the "Florida Homebuyer Opportunity Program." Homebuyers will be required to make a minimum contribution towards the purchase or closing costs of the home equivalent to three percent (3%) of the purchase price of the home or \$2,000 whichever greater. Assistance will only be provided for the purchase of homes that at a minimum meet Housing Quality Standards (HQS) as described by HUD. Assisted homes will either need to meet HQS prior to purchase or at the time assistance is provided.

### **b. Fiscal Years Covered**

2009/2010 until expiration of the Florida Homebuyer Opportunity Program Tax Credit.

### **c. Income Categories to be served**

Up to \$75,000 for single taxpayers or \$150,000 for joint filers.

**Priority will be given to very-low and low-income families .**

There is no requirement to reserve 30 percent of the funds for awards to very-low-income persons or 30 percent of the funds for awards to low-income persons; and there is no requirement to expend 75% of funds for construction, rehabilitation or emergency repair.

**d. Maximum award** is the principal balance of the loans provided shall not exceed 10% of the purchase price or \$8,000 whichever is less.

**e. Terms, Recapture and Default**

If the county receives repayment from the homebuyer within 18 months after the closing date of the loan the county or eligible municipality shall waive all interest charges. A homebuyer who fails to fully repay the loan within 18 months shall be subject to interest charges at going market home equity loan rates at the time assistance is provided and the balance owed will be amortized over 10 years. All funds repaid to the county shall be considered "program income" as defined in s. 420.9071 (24).

The FHOP mortgages using this strategy shall be due upon sale, lease, rent, refinance, transfer of the subject property or maturity of the FHOP subordinate mortgage, whichever happens first. Unlike other strategies in the Local Housing Assistance Plan the County's subordination policy, Administrative Regulation 13.13-1, will not apply.

**Recipient Selection Criteria**

- 1) Recipients must meet the requirements of the following: The maximum income limit shall be Adjusted Gross Income of \$75,000 for single taxpayer households or \$150,000 for joint-filing taxpayer households which is equal to that permitted by the American Recovery and Reinvestment Act of 2009.
- 2) Taxpayers who have not owned another principal residence at any time during the three years prior to the date of purchase.
- 3) Owner occupancy/principal residency for a minimum of 36 months is required.
- 4) The housing debt including an allowance for taxes and insurances must meet the affordability criteria (see section I.L. Income Limits, Rent Limits and Affordability).
- 5) Applicants must successfully complete the First Time Homebuyers Classes, offered by the Housing Corporation of Charlotte County.
- 6) Applicants must be willing to execute all necessary documents. Final approval will be given and funds obligated once an eligible family has chosen a home, has been approved for financing and Housing Services has reviewed the home inspection for Housing Quality Standards compliance, if applicable.
- 7) First come - first ready - first served.

**g. Sponsor Selection Criteria:** Not applicable for this strategy.

**h. Additional Information.**

- 1) Homes may not be purchased from family members.
- 2) Mortgage Loan provided must have a fixed rate and be fully amortized.

The loan to value ratio shall not exceed the applicable FNMA, FHLMC, FHA or portfolio loan limits.

- 3) Eligible structures include new or existing homes that meet Housing Quality Standards (HQS).
- 4) FHOP funds may not be used to aid with the purchase of a home that has luxury features that will generate extraordinary, recurring monthly expenditures or burden to the household (such as a pool).
- 5) The sales price for existing homes and new construction may not exceed the limits adopted by Charlotte County.

### **III. LHAP INCENTIVE STRATEGIES**

- A. Expedited Permitting Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.

*Policy and Procedure:* Ordinance Number 98-0710A0 Developer will make request to be designated as an Affordable Housing Development (AHD) to the County Ombudsman who will review the project to determine if it provides at least 25% or the units (or one unit in the case of a single unit development) as affordable units and meets the definition. If project meets the definition, the Developer will be a provided letter from County Administrator to include with his permitting documents. A project requiring DRC processing shall be schedule for review within one week. If project requires Zoning Board of Appeals process, it shall be placed on the agenda of the next regularly scheduled meeting, unless Developer requests a delay. A project requiring neither shall be expedited through the County review process, and any agencies shall report items that may cause delay to the ombudsman who will review those items with Developer within 24 hours and who will assist in forwarding the development through the review process.

- B. 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.

*Policy and Procedure:* Ordinance Number 98-0710A0 Any and all changes in code, procedure or process that affect the cost of housing shall be reviewed by the Charlotte County Affordable Housing Advisory Committee (AHAC). No such changes shall be considered for approval by the Charlotte County Board of County Commissioners (BCC), or any person or agency delegated with authority to act on its behalf, unless it has been considered by the Affordable Housing Advisory Committee at a public meeting. AHAC shall make non-binding recommendations of any proposed changes in code, procedure or process that affect the cost of housing to the BCC.

- C. Inventory of Publicly Owned Lands On ongoing process for developing and making available an inventory of all land owned by the County and to provide a process for making appropriate lands available to non-profit housing providers for the creation of affordable housing.

*Policy and Procedure:*

Resolution Number 2001-080 The County's Manager of Real Estate Services will establish, on a semi-annual basis or as otherwise required, a listing of County owned real property believed to be surplus to County needs. The listing will be made available to other government divisions for review. Such surplus properties will be disposed of by legal means, in accordance with County guidelines and Florida Law.

By Florida Law, such surplus property may be offered for sale and the proceeds earmarked for the development of affordable housing or may be donated to nonprofit housing providers for the construction of permanent affordable housing.

- D. Transfer of Density Units The County allows for a transfer of density units from environmentally sensitive or historically sensitive lands to property within the Urban Service Area.

*Policy and Procedure*

Ordinance Number 2007-083

- The ordinance provides a mechanism, consistent with protection of the health, safety and welfare of the public, by which the following will be accomplished:
- Residential development rights associated with real property with Environmentally sensitive resources, Historic or archeological resources, or which contains a Bona fide Agricultural use, or real property otherwise deemed less suitable for development, may be properly transferred to property better suited for higher density residential development upon satisfaction of the requirements of this article;
- Future growth will be directed in a logical, economical, and efficient manner away from those areas of the County less suited for such growth, and toward those areas of the County best suited to provide the public services and facilities necessary for such growth;
- The County can provide a record of transfers of density units and impose appropriate restrictions on the properties involved in such transfers.