

CHARLOTTE COUNTY



**State Housing Initiatives Partnership (SHIP) Program
LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

2020-2021, 2021-2022, 2022-2023

Revised 03.29.2023 HHRP

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I. Program Details:

A. LG(s)

Name of Local Government	Charlotte County
Does this LHAP contain an interlocal agreement?	Yes
If yes, name of other local government(s)	City of Punta Gorda

B. Purpose of the program:

- To meet the housing needs of the extremely low, 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, developers, not-for-profit institutions, community-based housing 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 by 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. In addition, the Charlotte County Board of County Commissioners (BOCC) offer the

Charlotte HOME program, an incentive, subsidy, and funding program for affordable housing developments.

- G. Public Input:** Public input was solicited through face-to-face meetings with housing providers, social service providers, 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 public 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. Households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time and date the pre-qualification phone interview is done with the applicant as well as any established funding priorities as described in this plan.

The following priorities for funding described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

Special Needs Households, Extremely Low, Very Low-, and Low-Income Households.
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- J. Discrimination:** In accordance with the provisions of Sections 760.20-760.37, F.S., 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 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	X
Local HFA Numbers	

- M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development 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 in applications for awards to eligible sponsors shall be developed. This will include 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, any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility. If 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. Charlotte County finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan. * Sub-recipient organizations are eligible for administrative funds not to exceed 10% of the award, subject to eligible expenses. The total, combined administrative budget (County administrative funds + sub-recipient administrative funds) will not exceed 10% of the annual allocation.

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 of 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
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		Percentage
Local Government	Charlotte County	10%
Third Party Entity/Sub-recipient	Administer and maintain 1 or more strategies	10% *

- R. First-time Homebuyer Definition:** 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:** No more than 4% of award amount for Purchase Assistance, No more than 5% of award amount for Owner Occupied Rehab
- 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:** In May 2009, Charlotte County adopted a Green Building Ordinance to become a more sustainable community by reducing the environmental impact of buildings and promoting economic and environmental health in the County. The program encourages, advocates, and educates green building and development, while offering incentives to participants. Involvement in the program is voluntary to private residential and commercial projects. However, it is a mandatory policy in the design and construction of all buildings owned and constructed by or on behalf of Charlotte County.
- The establishment of this Ordinance requires that the County, in all construction projects, abide by County adopted building codes that result in innovative, energy efficient and wind resistant construction practices. This Ordinance was adopted as a direct result of the 2004 Hurricane season that resulted in widespread damage to County structures. The adoption of this Ordinance strongly encourages non-governmental construction projects follow the same requirements on a voluntary basis. These requirements are reviewed as part of the permitting process and have/will continue to result in these changes in construction industry of the County.
- V. Describe efforts to meet the 20% Special Needs set-aside:** The Charlotte County SHIP Program will seek and market, through its partners, the County Web Page and public outreach, that funds are available for Special Needs clients. As potential clients contact the SHIP Office there is a telephone interview to determine basic qualifications as well as a determination of any Special Needs. Additionally, the City of Punta Gorda refers any such clients when identified. The Charlotte County Human Services Department receives referrals of special needs clients from Intake Services, Veteran Services, Aging & Adult Services, and Neighborhood Services, all Human Services Department divisions.

W. Describe efforts to reduce homelessness: Charlotte County has included in the 2020-2023 LHAP a strategy for rental assistance and eviction prevention. This strategy assists families acquire and/or maintain rental housing. Funds are awarded to renter households in need of security and utility deposit assistance, monthly rent assistance or rent subsidy. Charlotte County's Housing and Financial Stability Program (HFSP) also provides funding to assist families with housing assistance when available. The United Way's Season of Sharing program, Charlotte County's CSBG & TANF funds also provide housing assistance as funding allows. Charlotte County Human Services serves as an access point for coordinated entry with referral to the Continuum of Care for housing re-entry services.

X. Additional provisions:

- a. **Residency** - Applicants must have lived in Charlotte County for a minimum 6 months or worked full time in Charlotte County for a minimum 12 months to qualify for assistance (with the exception of Rapid Re-Housing and Disaster assistance).
- b. **Fraud** – (s. 420.518 of the Florida Statutes) An applicant or affiliate of an applicant may be precluded from participation in any corporation program if the applicant or affiliate of the applicant has: 1) Made a material misrepresentation or engaged in fraudulent actions in connection with any corporation program. 2) Been convicted or found guilty of, or entered a plea of guilty or nolo contendere to, regardless of adjudication, a crime in any jurisdiction which directly relates to the financing, construction, or management of affordable housing or the fraudulent procurement of state or federal funds. The record of a conviction certified or authenticated in such form as to be admissible in evidence under the laws of the state shall be admissible as prima facie evidence of such guilt.

Section II. LHAP Strategies:

A. PURCHASE ASSISTANCE	Code 1, 2
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<p>a. Summary: Purchase Assistance provides assistance for down payment (not to exceed 10% of purchase price), closing costs, and gap funding to qualified households to purchase new or existing single family or condominium homes. This includes homes purchased from a community land trust (CLT).</p>
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- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Extremely low, very low and low income. Moderate income households will be served, but on a limited basis – not to exceed 4% of allocation per funding year.
- d. Maximum Award: \$78,000*
- e. Terms (See “Additional Information” for special terms for CLT home purchases):
 - 1. Deferred Loan: SHIP assistance is provided in the form of a deferred loan secured by a note and recorded subordinate mortgage.
 - 2. Interest Rate: 0%

3. Years in loan term:

Loan Range:	\$0 to \$10,000.00	Five-Year Term
	\$10,000.01 to \$20,000.00	Ten-Year Term
	\$20,000.01 to \$30,000.00	Fifteen-Year Term
	\$30,000.01 to \$50,000.00	Twenty-Year Term
	\$50,000.01 to \$75,000.00	Thirty-Year Term

4. Forgiveness: Loans with a five-year term are forgiven at the end of the fifth year.

Loans with a ten-year term are reduced by 25% beginning at the end of year seven and continues for years eight, nine and ten with no repayment required at the end of year ten.

Loans with a fifteen-year term are reduced by 25% per year beginning at the end of year twelve and continues for years thirteen, fourteen and fifteen with no repayment required at the end of year fifteen.

Loans with a twenty-year term are reduced by 25% per year beginning at the end of year seventeen and continues for years eighteen, nineteen and twenty with no repayment required at the end of year twenty.

Loans with thirty- year term are reduced by 25% per year beginning at the end of year twenty-seven and continues for years twenty-eight, twenty-nine and thirty with no repayment required at the end of year thirty.

5. Repayment: Repayment is not required as long as the loan is not in default.

6. Default: Outstanding loan balance becomes due and payable if the home is no longer used as the primary residence of the recipient, is used as rental housing, is sold, or if ownership is transferred.

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: Recipient selection will be on a first qualified, first served basis. Recipients must provide SHIP office with a purchase contract for a home within six months of the application date. Recipients must also attend and complete a HUD approved homebuyer education class prior to signing contract for home purchase. CLT homebuyers must attend a HUD approved homebuyer education class that contains a community land trust component and/or one or more sessions with the CLT, in addition to a homebuyer education class that requires CLT buyers to demonstrate and attest to a clear understanding of the terms of CLT homeownership.

- g. Sub-recipient Selection Criteria:
 Sub-recipient nonprofit organization(s) may be selected to administer this strategy. Up to 10% in administrative expenses may be permitted. Criteria for selection of sub-recipient organization(s) will include:
- (1) past experience working with the target population;
 - (2) past experience administering similar assistance programs;
 - (3) financial and human resource capacity to administer the program; and
 - (4) such other criteria as may be determined appropriate.
- h. Additional Information:
1. These funds are only available for first time homebuyers or recent non-homeowners. This is defined as those who have not owned a home in the past three years.
 2. All homes purchased must become the primary residence of the recipient.
 3. Purchase Assistance will not be granted for the purchase of mobile or manufactured homes.
 4. The 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. Refinance with cash out, including reverse mortgages, or bills paid require full repayment at the time of refinance.
 5. The value of the property may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located as established by the U.S. Treasury Department.
 6. *Purchase Assistance, Owner-occupied Rehabilitation, Single-Family Housing Construction, and Acquisition/Rehabilitation/Resale recipients are limited to a lifetime combined maximum benefit of \$75,000.00, excluding project delivery costs.
 7. **Terms for CLT home purchases:** *The mortgage is assumable to an income-eligible purchaser. The terms of the Note and Mortgage shall show subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment required during the term of the loan, provided the loan remains in good standing. Please see Exhibit H for additional instructions and information for CLT purchases.*

B. OWNER OCCUPIED REHABILITATION	Code 3
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a. Summary: Owner Occupied Rehabilitation provides SHIP assistance to qualified households to rehabilitate and/or add hurricane mitigation/hardening features to single family and condominium units.

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Extremely low, very low and low income. Moderate income households will be served, but on a limited basis – maximum of two (2) households per funding year.
- d. Maximum award: \$78,750*
- e. Terms:
1. Deferred Loan: SHIP assistance is provided in the form of a deferred loan secured by a note

and recorded subordinate mortgage.

2. Interest Rate: 0%

3. Years in loan term:

Loan Range:	\$0 to \$10,000.00	Five-Year Term
	\$10,000.01 to \$20,000.00	Ten-Year Term
	\$20,000.01 to \$30,000.00	Fifteen-Year Term
	\$30,000.01 to \$50,000.00	Twenty-Year Term
	\$50,000.01 to \$75,000.00	Thirty-Year Term

4. Forgiveness: Loans with a five-year term are forgiven at the end of the fifth year.

Loans with a ten-year term are reduced by 25% beginning at the end of year seven and continues for years eight, nine and ten with no repayment required at the end of year ten.

Loans with a fifteen-year term are reduced by 25% per year beginning at the end of year twelve and continues for years thirteen, fourteen and fifteen with no repayment required at the end of year fifteen.

Loans with a twenty-year term are reduced by 25% per year beginning at the end of year seventeen and continues for years eighteen, nineteen and twenty with no repayment required at the end of year twenty.

Loans with thirty- year term are reduced by 25% per year beginning at the end of year twenty-seven and continues for years twenty-eight, twenty-nine and thirty with no repayment required at the end of year thirty.

5. Repayment: Repayment is not required as long as the loan is not in default.

6. Default: Outstanding loan balance becomes due and payable if the home is no longer used as the primary residence of the recipient, is used as rental housing, is sold, or if ownership is transferred.

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: Recipient selection will be on a first qualified, first served basis following completion of a pre-qualification interview, receipt of an application, income qualification, receipt of Ownership & Encumbrance Report verifying no liens or judgements and that property taxes are paid.

- g. Sub-recipient Selection Criteria:
 Sub-recipient nonprofit organization(s) may be selected to administer this strategy. Up to 10% in administrative expenses may be permitted. Criteria for selection of sub-recipient organization(s) will include:
- (1) past experience working with the target population;
 - (2) past experience administering similar assistance programs;
 - (3) financial and human resource capacity to administer the program; and
 - (4) such other criteria as may be determined appropriate.
- h. Additional Information:
1. All homes rehabilitated through this strategy must be the primary, homesteaded residence of the recipient.
 2. Owner Occupied Rehabilitation will not be granted for the rehabilitation of mobile or manufactured homes.
 3. The 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. Refinance with cash out, including reverse mortgages, or bills paid require full repayment at the time of refinance.
 4. The value of the property may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located as established by the U.S. Treasury Department.
 5. *Purchase Assistance, Owner-occupied Rehabilitation, Single-Family Housing Construction, and Acquisition/Rehabilitation/Resale recipients are limited to a lifetime combined maximum benefit of \$75,000.00, excluding project delivery costs.

C. RENTAL ASSISTANCE, SECURITY AND/OR UTILITY DEPOSITS AND RAPID RE-HOUSING	Code 13, 23, 26
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<p>a. Summary: Funds will be awarded to renters that are in danger of becoming homeless as a result of the inability to pay rent or make security and/or utility deposits. In accordance with Section 420.9072 (7) (b), Florida Statutes, types of assistance are limited to:</p> <ol style="list-style-type: none"> 1) Eviction Prevention – payment of past due rent and late fees for up to 6 months. 2) Deposit Assistance – payment of security and/or utility deposits. 3) Rent Subsidy – payment of rent up to 12 months (less any eviction prevention assistance provided) for income eligible individuals and families who are homeless (as defined in Section 420.621, Florida Statutes) or who have at least one family member that meets the definition of special needs (as defined in Section 420.0004, Florida Statutes).

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

- c. Income Categories to be served: Extremely low and very low-income households will be served by this strategy.
- d. Maximum award: \$18,000
- e. Terms:
 - 1. Grant: SHIP assistance is provided in the form of 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, at risk of homelessness, or those with special needs, shall be referred through the local Continuum of Care Coordinated Entry System and be assisted on a first qualified, first served basis.
- g. Sub-recipient Selection Criteria:
Sub-recipient nonprofit organization(s) may be selected to administer this strategy. Up to 10% in administrative expenses may be permitted. Criteria for selection of sub-recipient organization(s) will include:
 - (1) Past experience working with the target population;
 - (2) Past experience administering similar assistance programs;
 - (3) Financial and human resource capacity to administer the program; and
 - (4) Participation in the Continuum of Care Coordinated Entry System; and
 - (5) Such other criteria as may be determined appropriate.
- h. Additional Information:
Recipients are eligible to receive additional SHIP assistance through this strategy no less than 24 months from date of last assistance.

Recipients of other ongoing rental assistance may not be eligible to receive assistance under this strategy. Applications will be reviewed on a case-by-case basis.

D. SINGLE FAMILY HOUSING CONSTRUCTION	Code 10
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a. Summary: This strategy is designed to promote the new construction of affordable single-family housing units for homeownership opportunities. The assistance shall be treated as a development cost pay-down to further reduce the sales price to the homebuyer.

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

c. Income Categories to be served: Extremely low, very low income and low income

d. Maximum award: \$50,000

e. Terms:

1. Deferred Loan:

Developer/Sponsor: Assistance is provided in the form of a deferred loan secured by a note, recorded mortgage, and Developer Agreement**. The loan shall be transferred to an income eligible homebuyer as reduced purchase price within 24 months.

Homebuyer: Assistance is provided in the form of a deferred loan secured by a note and recorded subordinate mortgage.

2. Interest Rate:

Developer/Sponsor: 0%

Homebuyer: 0%

3. Years in loan term:

Developer/Sponsor: 24 months

Homebuyer: 20 years

4. Forgiveness:

Developer/Sponsor: N/A

Homebuyer: The funds will be reduced by 25% per year beginning at the end of year seventeen and continues for years eighteen, nineteen and twenty with no repayment required at the end of year twenty.

5. Repayment:

Developer/Sponsor: Outstanding balance due and payable if the home is not sold to an eligible buyer, or the Developer Agreement is otherwise in default.**

Homebuyer: Repayment is not required as long as the loan is not in default.

6. Default:

Developer/Sponsor: Failure on the part of the developer to receive a Certificate of Occupancy within 24 months and transfer ownership to an income eligible homebuyer within 24 months of execution of the agreement will constitute a default. In the event of a default, the agreement becomes due and payable.

Homebuyer: Outstanding loan balance becomes due and payable if the home is no longer used as the primary residence of the recipient, is used as rental housing, is sold, or if ownership is transferred. 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: Recipient selection will be administered by Developer. Recipient income certification will be certified by County staff.
- g. Sponsor Selection Criteria: Request for proposals and/or open application process will be utilized to select a sponsor to implement this strategy.

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. The application will reflect local preferences for housing for elderly households, special needs and extremely low-income households.

- h. Additional Information:
 - 1. The value of the property may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located as established by the U.S. Treasury Department.
 - 2. *Purchase Assistance, Owner-occupied Rehabilitation, Single-Family Housing Construction, and Acquisition/Rehabilitation/Resale recipients are limited to a lifetime combined maximum benefit of \$75,000.00, excluding project delivery costs.
 - 3. For development of a property in a Community Land Trust, the assistance amount shall be excluded from the Base Price and Formula Price as defined in the ground lease.

E. MULTI-FAMILY NEW CONSTRUCTION/REHABILITATION	Code 14, 21
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a. Summary: This strategy is designed to assist in the new construction or rehabilitation of existing rental developments.
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- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Extremely low, very low and low income.
- d. Maximum award: \$50,000.00 maximum per rental unit with a per development maximum of \$400,000.00. Total awards greater than \$150,000 require Board of County Commissioner approval.
- e. Terms:
 - 1. Loan or Deferred Loan: Assistance for this strategy may be provided in either form depending on project.

2. Interest Rate: Interest rate for this strategy will vary depending on project.
 - a. For-profit developments = 3%
 - b. Non-profit developments = 0%
 - c. Competitive RFP (eg LGAO) = 0% – 3% based on selected developer proposal

3. Years in loan term:

To be determined at time of loan commitment(s). The following will be applied to all loans:

 - a. Loan amount will be determined by development type;
 - b. Term of loan to be determined by development financial feasibility;
 - b. Monthly payment schedule, as appropriate;
 - c. Amortizing or non-amortizing, but amortizing preferred, if applicable;
 - d. Loan due in full in balloon payment at end of loan period if not already amortized, if applicable.

4. Forgiveness: Non-profit affordable housing developers are eligible for deferred loan, forgiven at the end of the term.

5. Repayment: Assistance provided in the form of a loan is payable as indicated in the recorded mortgage, note and LURA.

6. Default: If the SHIP mortgagor vacates, transfers, assigns, sells, refinances, mortgages or in any manner encumbers or disposes of all or a portion of, or any interest in the premises without the approval of the Charlotte County Housing Division before the maturity date of the mortgage, the outstanding balance secured by the Mortgage and any applicable penalty shall become immediately due and payable; Therefore defined in the recorded SHIP Mortgage and Note and/or Land Use Restriction Agreement (LURA). Sponsors that fail to comply with the SHIP Statute and Rule will be required to pay back the SHIP funds.

- f. Recipient/Tenant Selection Criteria: All applicants for residence in a SHIP-assisted unit will be assisted on a first-qualified, first-served basis and must meet income qualifications of the program and reported by the developer’s management company for development.

- g. Sponsor/Sub-recipient Selection Criteria: Applications are received from Sponsors year-round, and are reviewed by Housing Division staff for County preferences and development needs, and availability of funds per set aside requirements.

Applications in response to a local Request for Applications (RFA) or in conjunction with a Florida Housing Finance Corporation (FHFC) Multi-family Programs RFA, 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 or universal design features, and willingness to employ local labor. The application will reflect local preferences for housing for elderly households, special needs and extremely low-income households.

- h. Additional Information: Multi-family projects funded under this strategy will have a minimum affordability period of twenty (20) years. Charlotte County shall be responsible for the annual monitoring of all assisted/funded affordable multi-family housing units as outlined in Florida Statute 420.907 – 420.9079.

F. DISASTER ASSISTANCE	Code 5,16
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a. Summary: The Disaster Assistance 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. Disaster funds may be used for items such as, but not limited to:

- (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;
- (e) security deposit for eligible recipients that have been displaced from their homes due to disaster;
- (f) rental assistance for up to 6 months 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) Temporary rent and utilities payments for up to 6 months for tenants financially impacted by a disaster.
- (i) Temporary mortgage and utilities payments for up to 6 months for homeowners financially impacted by a disaster.

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Extremely low, very low- and low-income households will be served by this strategy.
- d. Maximum award: \$12,000.00
- e. Terms:
 - 1. Grant: SHIP assistance is provided in the form of 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: Recipient selection will be on a first qualified, first served basis. Priority shall be given to persons who have special housing needs and individuals or households that qualify as Elderly as defined in 420.503, F.S.
- g. Sponsor/Subrecipient Selection Criteria:
Sub-recipient nonprofit organization(s) may be selected to administer this strategy. Up to 10% in administrative expenses may be permitted. Criteria for selection of sub-recipient organization(s) will include:
 - 1. past experience working with the target population;
 - 2. past experience administering similar assistance programs;
 - 3. financial and human resource capacity to administer the program; and
 - 4. such other criteria as may be determined appropriate.
- h. Additional Information:
 - 1. Assistance from the Disaster Strategy does not preclude an applicant from receiving assistance from another LHAP strategy, with the exception of Emergency Repair.
 - 2. Funds may be used to repair mobile/manufactured homes newer than 1994 when all other criteria are met.
 - 3. RENTAL ASSISTANCE, UTILITY DEPOSITS AND RAPID RE-HOUSING can be provided to assist displaced households in the declared area with out of county/state relocation, as needed.

G. NON-PROFIT, LOW INCOME,SPECIAL NEEDS RENTAL	Code 14,15,21
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<p>a. Summary: This strategy is designed to assist in the acquisition, rehabilitation, demolition/reconstruction or new construction of rental housing for low income households or low income special needs (420.0004 (13) Fla. Stat.) households.</p>

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Extremely low, very low and low income households will be served by this strategy.
- d. Maximum award: Maximum award is \$30,000.00 per unit for SHIP rental rehab and \$50,000 for acquisition/rehab using Hurricane Housing Recovery (HHR) program funds.
- e. Terms:
 - 1. Deferred Loan: SHIP assistance is provided in the form of a deferred loan secured by a note and recorded subordinate mortgage.
 - 2. Interest Rate: 0 %
 - 3. Years in loan term: 20
 - 4. Forgiveness: forgiven at the end of the term.
 - 5. Repayment: No repayment required.
 - 6. Default: Outstanding loan balance becomes due and payable if the property is sold or is no

longer used as affordable rental housing for low income households.

Selected sponsors offering SHIP assisted rental housing for sale before the end of the twenty-year term or who have remaining mortgages funded under this program must give a right of first refusal to the SHIP Program Administrator or eligible non-profit organizations at the current market value for continued occupancy by income eligible households.

f. Recipient/Tenant Selection Criteria: N/A

g. Sponsor Selection Criteria: Non-profit and special needs organizations seeking to operate rental housing for low income or special needs households will be eligible to submit applications for SHIP funds to purchase, rehabilitate, demolish and reconstruct, 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. The application will reflect local preferences for housing for elderly households, special needs and extremely low-income households.

h. Additional Information: Specific tenant selection criteria will be determined by the developer assuming compliance with all fair housing laws.

Selected sponsors shall be required to enter into a Land Use Restriction Agreement (LURA) with Charlotte County which will outline the eligibility requirements for the assisted units. The LURA will also require sponsors to report to the County the income eligibility of tenants on an annual basis for twenty years. Sponsors will be required to meet compliance reporting requirements on the property necessary to meet the statutory requirements for monitoring of SHIP rental units.

H. Demolition/Reconstruction	Code 4
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a. Summary of Strategy: This strategy awards funds for the costs associated with the demolition and reconstruction of a substandard housing unit when the home is beyond financial feasibility to repair. SHIP funds will be awarded to households in need of repairs to correct code violations, health and safety issues, electrical, plumbing, roofing, windows and other structural items.
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Structures will be demolished and rebuilt under the following cases:

1. Single family properties that are located in a flood zone and have estimated rehabilitation costs exceeding 50% of the assessed value, will be demolished and rebuilt to meet FEMA regulations.
2. Single family properties that are not in a flood zone but are beyond repair and unsafe for human habitation. The property must meet the definition* of an unsafe structure and the building department, in cooperation with the SHIP projects manager, shall determine the economic feasibility of the rehabilitation and soundness of the structure to determine if a replacement home is financially feasible and necessary. (*Reference: Charlotte County Property Maintenance Code in Article IV Section 3-2-76(a) of the County Code of Ordinances.)

- b. Fiscal Years Covered: 2020-2021, 2021-2022, and 2022-2023
- c. Income Categories to be served: Extremely low, very low-, and low-income households will be served by this strategy.
- d. Maximum award: \$150,000
- e. Terms
 - 1. 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: 20 years
 - 4. Forgiveness: Loan is forgiven at the end of 20 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: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the 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.

- f. Recipient Selection Criteria: Applicants who have no mortgage debt must apply for a first mortgage to cover some portion of the reconstruction costs. Recognizing that the first mortgage will likely not cover all demolition and replacement costs, SHIP will pay for the remaining portion. Applicants who provide proof from a minimum of two (2) lending institutions that they do not qualify for a first mortgage will receive a first mortgage to cover the cost of reconstruction up to the maximum award. Applicants who have an existing first mortgage must get written approval from the first mortgage lender authorizing the demolition and reconstruction of the home.

Applicants will be ranked for assistance in the order in which they complete their application, with priority assistance provided to Special Needs applicants and income groups as described in section I. (I) of this plan.

- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information:
The sale price or value of the home constructed may not exceed \$200,000. Homeowners

assisted under this strategy will be encouraged to obtain temporary housing on their own. If assistance is required, a grant of up to \$5,500.00 will be provided for temporary relocation expenses, including but not limited to the costs of moving, storing, and insuring personal property during moving and storage.

This service is available once in a lifetime for household members and exhausts the household's lifetime combined maximum benefit.

I. Emergency Repair	Code 6
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- a. Summary: SHIP funds will be used to provide emergency home repairs to eligible households. The emergency repair must be assessed by the SHIP projects manager and must be determined to be an unsafe condition for the household. Life, safety, and health issues affecting elderly and/or disabled residents will have priority under this strategy. Emergencies home repairs are defined below:
 - 1. Structural components showing imminent collapse.
 - 2. Inoperable/substandard heating and cooling systems.
 - 3. Inoperable/substandard plumbing/leaks in walls or foundation.
 - 4. Inoperable/substandard toilet or hot water heater.
 - 5. Roof leaks causing electrical hazards, ceiling collapse, or structural damage.
 - 6. Inoperable/substandard electrical systems.
 - 7. Collapsed or inoperable/substandard chimney or flue.
 - 8. Inoperable/substandard sewage system, in either well or City/County metered system.
 - 9. Handicap Accessibility.
- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Extremely low, very low, and low income households will be served by this strategy.
- d. Maximum award: \$10,000
- e. Terms:
 - 1. 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 Selection Criteria: Eligible households will be served on a first-qualified first-served basis, with preference given to elderly or disabled applicants after the established priority for Special Needs households. Household will only be granted funds on a one- time basis. Staff shall make awards on a first come, first qualified basis from all applicants meeting the following criteria:
 - 1. Recipients must be Income eligible.
 - 2. The home must be located in Charlotte County.
 - 3. The home must be owner-occupied.
 - 4. Property must be homesteaded.

- 5. Recipients must be current with property taxes.
 Sub-recipient Selection Criteria:
 Sub-recipient nonprofit organization(s) may be selected to administer this strategy. Up to 10% in administrative expenses may be permitted. Criteria for selection of sub-recipient organization(s) will include:
 - (1) past experience working with the target population;
 - (2) past experience administering similar assistance programs;
 - (3) financial and human resource capacity to administer the program; and
- g. (4) such other criteria as may be determined appropriate.
- h. Additional Information:
 - 2. Any units or applicants receiving assistance from SHIP and other federal, state, or local programs shall be required to comply with any requirements specified by other programs in addition to SHIP program requirements. In the event that SHIP and other programs have restrictions on the same issue, the more restrictive regulation shall take precedence. If one program is silent on the issue, the program with a regulation on the issue shall apply per Florida Administrative Code 67-37.007(12). The improvements to be made must bring the condition of the housing unit up to the County's minimum housing standards and any federal housing quality standards as well as meet the quality standards established in 20 CFR Part 982.401. Under no circumstances shall improvements be made to only improve the aesthetics of the home.
 - 3. Funds may be used to repair manufactured homes newer than 1994 when all other criteria are met.
 - 4. Emergency Repair funds may not be combined/stacked with the Disaster strategy.

J. ACQUISITION/REHABILITATION/RESALE	Code 9, 10
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a. **Summary:** The program is open to non-profit organizations that are interested in developing homeownership units in need of a subsidy for infill projects that may otherwise not be economically feasible. This strategy is for the acquisition, rehabilitation, and resale of existing single-family housing units. Funds awarded to the Sponsor will be passed through to the homebuyer at time of sale.

- b. Fiscal Years Covered: 2022-2023
- c. Income Categories to be served: Extremely low, very low, and low income households will be served by this strategy.
- d. Maximum award: \$50,000 (developer and recipient)*
- e. **Sponsor Developer Terms:**
 - 1. Repayment loan/deferred loan/grant: Funds awarded as a loan to the Developer, secured by a Mortgage, Note, and Land Use Restriction Agreement (LURA).
 - 2. Interest Rate: 0%
 - 3. Years in loan term: 2 years
 - 4. Forgiveness: N/A
 - 5. Repayment: None required as long as loan is in good standing

6. Default: If the property is not sold to a qualified homebuyer within 24 months, the loan becomes due and payable to the County.

Recipient Terms:

1. Repayment loan/deferred loan/grant: Funds will be awarded as a forgivable loan secured by a recorded subordinate mortgage and note, which incorporates the Land Use Restriction Agreement (LURA).
2. Interest Rate: 0%
3. Years in loan term: 20 years
4. Forgiveness: The funds will be reduced by 25% per year beginning at the end of year seventeen and continues for years eighteen, nineteen and twenty with no repayment required at the end of year twenty.
5. Repayment: Repayment is not required as long as the loan is not in default.
6. Default:
 - a) 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. If any of these occur, the outstanding balance will be due and payable.
 - b) In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an eligible heir who will occupy the home as a primary residence. If the legal heir is not eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
 - c) If the home is foreclosed on by a superior mortgage holder, all efforts will be made to recapture funds if it is determined that adequate funds may be available to justify pursuing a repayment.
- f. Recipient/Tenant Selection Criteria: Eligible persons will be served on a first qualified, first served basis pending funding availability.
- g. Sponsor/Sub-recipient Selection Criteria: Eligible developers are non-profit organizations developing affordable homeownership or those responding to an advertised Request for Proposals. The criteria to select agencies may include, but is not limited to, the following:
 1. The financial strength of the sponsor/developer.
 2. The ability of the sponsor/developer to complete the project by the contracted deadline.
 3. Past performance for completing projects on time and within budget.
 4. Experience of the Board or Staff with matters related to low income persons.
- h. Additional Information:
 1. The program provides gap and/or construction financing in the form of a loan on projects that meet the program criteria; however, an affordability Covenant and Restriction must be recorded on the project prior to the unit being sold to an income eligible buyer. If the home is sold to an income eligible buyer(s), who is also receiving purchase assistance from the Charlotte County SHIP program, the property affordability will be captured within the recorded subordinate Mortgage and Note associated with the purchase assistance. All homes must be the buyer's primary residence. Funding for each project is determined by the gap or "need"

demonstrated by the developer through the project budget. The project gap is the difference between the cost to acquire and rehab the unit and the sales price that the market will bear to sell that unit. At the sale of the unit to an eligible buyer, a payoff to Charlotte County for the construction financing minus actual gap minus any third-party financing, shall occur and be considered program income.

2. *Purchase Assistance, Owner-occupied Rehabilitation, Single-Family Housing Construction, and Acquisition/Rehabilitation/Resale recipients are limited to a lifetime combined maximum benefit of \$75,000.00, excluding project delivery costs.
3. **Terms for CLT home purchases:** *The mortgage is assumable to an income-eligible purchaser. The terms of the Note and Mortgage shall show subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment required during the term of the loan, provided the loan remains in good standing. Please see Exhibit H for additional instructions and information for CLT purchases.*

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. **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.

Section 3-9-5.4 of the Charlotte County Code of Laws and Ordinances (County Code), adopted in 1998, established an Expedited Process for Certified Affordable Housing Development. This places a priority on the review of “Certified Affordable Housing Development” projects, as defined as housing projects in which at least 25 percent of the total units constructed are made available to low- or very-low income residents. This expedited process does not apply to plan amendments, rezoning petitions, plat applications, or a petition before the Board of Zoning Appeals.

- 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.

Proposed policies, ordinances, and plan amendments submit an Economic Impact Estimate to review their potential costs or savings.

- C. **Modification of Impact Fees** Including a reduction or waiver of fees and alternative methods of fee payments for affordable housing. Impact fees are waived on units determined affordable (reserved for <80% AMI) for a minimum term of 20 years.
- D. **Flexible Densities** Section 3-9-150 of the County Code allows the County to award Incentive Density, which provides increased density for the development of multifamily rental housing or workforce and affordable housing, in tandem with a future land use map amendment and rezoning. Total densities may not exceed that established by the future land use map.

- E. **Parking and Setback Requirements** Parking reduction is currently allowed with the submission of a study showing that a reduced number of parking spaces are necessary. Section 3-9-79 of the County Code allows a developer to submit a parking study during the Site Plan Review process demonstrating why parking requirements for their development may be reduced below 1.5 spaces per unit for multifamily development or 2.0 spaces per unit for single-family development. This policy is not exclusive to the development of affordable housing.

- F. **Affordable Accessory Dwelling Units** The County’s Transfer of Density Units program requires a transfer of density to raise the maximum residential density on any site. An existing home on two or more contiguous lots may construct an accessory dwelling unit, since the property overall has as many density units as included lots. Staff is working to develop policies that ease the development of accessory dwelling units.

- G. **Flexible Lot Configurations** The Planned Development (PD) zoning district allows flexible performance criteria to replace conventional zoning requirements, including lot sizes. Section 3-9-67 of the County Code allows the development of cluster housing, where “a lot size smaller than normally required is permitted so long as density does not exceed the maximum density permitted in such district”.

- H. **Modification of Street Requirements** Reduced sidewalk and street walk requirements are used as an incentive for the inclusion of affordable housing in large-scale development on a case-by-case basis in the County. An affordable housing development can apply for a variance to reduce the eight-foot sidewalk width requirement with the County Engineer. The County Engineer will review the request as it relates to the incentive strategies approved by the Board of County Commissioners. The majority of development in the City is infill oriented on an existing grid system.

- I. **Public Land Inventory** Florida Statute 125.379 requires that every three (3) years, each county is to prepare an inventory list of county-owned property deemed appropriate for Affordable Housing. A list of current available county-owned properties is sent to Housing Staff for selection of properties deemed appropriate for use as Affordable Housing. Once properties have been selected, a Public Hearing is held, and approval is received by the Board of County Commissioners to add properties to list of Affordable Housing Inventory.

Non-profit Affordable Housing developers may request the donation of county-owned property on the inventory list via application to the Charlotte HOME program. Donated properties are subject to a Land Use Restriction Agreement (LURA) that outlines the term of affordability and eligibility criteria (income, special needs, etc.). Proceeds from the sale of properties on the inventory list are credited to the affordable housing trust fund to support future development. The inventory list is revised/updated as surplus properties are acquired, donated, or sold – no less frequently than every 3 years.

- J. **Support of Development Near Transportation Hubs** Charlotte County does not currently have any transportation hubs to support a policy for development. If a fixed-route transit system is put into place, Transit Oriented Development policies could be developed and

implemented.

IV. EXHIBITS:

- 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.
- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement.
- H. Community Land Trust Purchases