



**AGENDA REPORT
April 24, 2018**

SUBJECT:

Adoption, Re: FY 2019-2021 State Housing Initiatives Partnership (SHIP) Local Housing Assistance Plan (LHAP)

FISCAL IMPACT:

FY 17-18 - There will be no impact to the General Fund. All SHIP funds received will be deposited in Fund 1490

FY 18-19 - There will be no impact to the General Fund. All SHIP funds received will be deposited in Fund 1490

DEPT/OFFICE:

Housing and Human Services

REQUESTED ACTION:

It is requested that the Board of County Commissioners adopt the State Housing Initiatives Partnership (SHIP) Program Local Housing Assistance Plan (LHAP), including it's associated Certification (Exhibit D) and Resolution (Exhibit E), for Fiscal Years 2019 through 2021, authorize the Chairman, upon County Attorney approval to sign all required documents, and sign any amendments that the Florida Housing Finance Corporation determines necessary to meet the requirements of State Statute 420.907-9075.

SUMMARY EXPLANATION and BACKGROUND:

Every three years, Florida Statute 420.9075 requires each county participating in the SHIP program to submit a three year LHAP that describes the strategies and criteria for expenditure of SHIP funds. The SHIP program was created for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production and preservation of affordable housing, and for furthering the housing element of the local Government's Comprehensive Plan. The SHIP program is funded through documentary stamp taxes and administered by the Florida Housing Finance Corporation. The actual revenue received is dependent on revenue collected by the State, appropriated and passed in the State annual budget. For the state FY 2017-18, Brevard County was allocated \$1,349,513 in SHIP funds and estimated at \$468,029 for state FY 2018-19.

The LHAP was reviewed and recommended for approval by the Affordable Housing Council on Thursday, March 22, 2018. As part of this recommendation, the continuation of the current housing strategies was endorsed.

The LHAP is consistent with the Brevard County five year Consolidated Plan, Brevard County's Comprehensive Plan's Housing Element, and local housing policies.

The housing strategies for FY 2019-2021 are as follows:

- Homeownership - Purchase Assistance with Rehabilitation: provides financial assistance for down payment costs, closing costs, reduction of mortgage principal, and improvements, which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.
- Homeownership - Purchase Assistance without Rehabilitation: provides financial assistance for down payment costs, closing costs reduction of mortgage principal and education counseling.
- Homeownership - Owner Occupied Rehabilitation: provides eligible homeowners with necessary major repairs to improve safety and or well-being to the owner-occupied home.
- Homeownership - Demolition/Reconstruction: assistance in demolishing and rebuilding a house on the same location.
- Homeownership - Emergency Repair: assistance with improvements, which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.
- Homeownership - Acquisition/Rehabilitation/New Construction: assist non-profit and for-profit developers with SHIP funds for the acquisition of property associated with new construction or the rehabilitation of permanent housing for homeownership.
- Rental-Rehabilitation/Land Acquisition/Construction: assist non-profit and for-profit developers with SHIP funds for land acquisition, new construction or rehabilitation of rental housing units.
- Homeownership/Rental-Disaster Repair Mitigation: provides assistance to households following a natural disaster as declared by the President of the United States or the Governor of the State of Florida.

CLERK TO THE BOARD INSTRUCTIONS:

Have Chair sign the Resolution and Certification included in the LHAP and then return the entire package to HHS.

ATTACHMENTS:

Description

- **AO-29**
- **SHIP LHAP Agreement**

**BREVARD COUNTY
BOARD OF COUNTY COMMISSIONERS**

INITIAL CONTRACT REVIEW AND APPROVAL FORM

SECTION I - GENERAL INFORMATION

| | |
|---|--|
| 1. Contractor: SHIP | |
| 2. Fund/Account #: 1490-298001 | 3. Department Name: Housing and Human Services |
| 4. Contract Description: SHIP-LHAP Exhibits D and E | |
| 5. Contract Monitor: Linda Graham | 7. Contract Type: |
| 6. Dept/Office Director: Ian Golden | GRANT |

SECTION II - REVIEW AND APPROVAL TO ADVERTISE

| <u>COUNTY OFFICE</u> | <u>APPROVAL</u> | | <u>SIGNATURE</u> | <u>DATE</u> |
|----------------------|--------------------------|-------------------------------------|------------------|-------------|
| | <u>YES</u> | <u>NO</u> | | |
| User Agency | <input type="checkbox"/> | <input checked="" type="checkbox"/> | _____ | _____ |
| Risk Management | <input type="checkbox"/> | <input type="checkbox"/> | _____ | _____ |
| County Attorney | <input type="checkbox"/> | <input type="checkbox"/> | _____ | _____ |

SECTION III - REVIEW AND APPROVAL TO EXECUTE

| <u>COUNTY OFFICE</u> | <u>APPROVAL</u> | | <u>SIGNATURE</u> | <u>DATE</u> |
|----------------------|-------------------------------------|--------------------------|------------------|-------------|
| | <u>YES</u> | <u>NO</u> | | |
| User Agency | <input checked="" type="checkbox"/> | <input type="checkbox"/> | _____ | _____ |
| Risk Management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | _____ | 04/06/2018 |
| County Attorney | <input type="checkbox"/> | <input type="checkbox"/> | _____ | _____ |

SECTION IV - CONTRACTS MANAGEMENT DATABASE CHECKLIST

| <u>CM DATABASE REQUIRED FIELDS</u> | <u>Complete</u> ✓ |
|--|--------------------------|
| Department Information | <input type="checkbox"/> |
| Department | <input type="checkbox"/> |
| Program | <input type="checkbox"/> |
| Contact Name | <input type="checkbox"/> |
| Cost Center, Fund, and G/L Account | <input type="checkbox"/> |
| Vendor Information (SAP Vendor #) | <input type="checkbox"/> |
| Contract Status | <input type="checkbox"/> |
| Contract Title | <input type="checkbox"/> |
| Contract Type | <input type="checkbox"/> |
| Contract Amount | <input type="checkbox"/> |
| Storage Location (SAP) | <input type="checkbox"/> |
| Contract Approval Date | <input type="checkbox"/> |
| Contract Effective Date | <input type="checkbox"/> |
| Contract Expiration Date | <input type="checkbox"/> |
| Contract Absolute End Data (No Additional Renewals/Extensions) | <input type="checkbox"/> |
| Material Group | <input type="checkbox"/> |
| Contract Documents Uploaded in CM database (Initial Contract Form with County Attorney/ Risk Management Approval; Signed/Executed Contract) | <input type="checkbox"/> |
| "Right To Audit" Clause Included in Contract | <input type="checkbox"/> |
| Monitored items: Uploaded to database (Insurance, Bonds, etc.) | <input type="checkbox"/> |

11.6.1

| My Draft Items | | | |
|---|---------------------------------------|---------------------------------------|-----------------------|
| Title | Meeting Type | Agenda Category | Meeting Date |
| Agreement with the Housing Authority of the City of Cocoa | Board of County Commissioners Meeting | CA - Housing and Human Services | 4/24/2018 9:00:00 AM |
| Child Welfare Professionals Recognition Day | Board of County Commissioners Meeting | RESOLUTIONS, AWARDS AND PRESENTATIONS | 12/31/2018 1:00:00 AM |

| Items Waiting On Me | | | | |
|---|---------------------------------------|---------------------------------|-----------------------|----------------------------|
| Title | Meeting Type | Agenda Category | Meeting Date | Department |
| Cocoa Housing Authority Agreement (D-2) | Board of County Commissioners Meeting | CA - Housing and Human Services | 12/31/2018 1:00:00 AM | Housing and Human Services |

| My Items On Next Meeting | | | | |
|---|---------------------------------------|---------------------------------|----------------------|---|
| Title | Meeting Type | Agenda Category | Meeting Date | Department |
| Local Housing Assistance Plan (LHAP) FY 2019-2021 | Board of County Commissioners Meeting | CA - Housing and Human Services | 4/24/2018 9:00:00 AM | Housing and Human Services Pending |



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

April 25, 2018

MEMORANDUM

TO: Ian Golding, Housing and Human Services Director

RE: Item II.B.1., Adoption of FY 2019-2021 State Housing Initiatives Partnership (SHIP)
Local Housing Assistance Plan (LHAP)

The Board of County Commissioners, in regular session on April 24, 2018, adopted Resolution No. 18-055, and the SHIP Program LHAP, including Certification for Fiscal Year 2019-2021; and authorized the Chair to execute all documents and any amendments that the Florida Housing Finance Corporation determines necessary to meet the requirements of State Statute 420.907-9075, upon County Attorney approval. Enclosed is fully-executed Resolution and SHIP Program and LHAP Certification

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/kp

Encls. (2)

cc: Finance
Budget

RESOLUTION #: 2018-055

A RESOLUTION OF THE BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY FLORIDA APPROVING THE BREVARD COUNTY'S LOCAL HOUSING ASSISTANCE PLAN FOR FISCAL YEARS 2018-2019, 2019-2020, AND 2020-2021 AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; AUTHORIZING AND DIRECTING THE CHAIRMAN TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS NEEDED BY THE STATE; AUTHORIZING THE SUBMISSION OF THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; AND PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

WHEREAS, the State Housing Initiatives Partnership (SHIP) Act, ss. 420.907-420.9079, Florida Statutes (1992), and Rule Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used; and

WHEREAS, the SHIP Act requires local governments to establish the maximum SHIP funds allowable for each strategy; and

WHEREAS, the SHIP Act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act; The methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

WHEREAS, as required by *section 420.9075, F.S.* It is found 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.

WHEREAS, the Housing and Human Service Department has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

WHEREAS, the Brevard County Board of County Commissioners finds that it is in the best interest of the public for the Brevard County to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

NOW THEREFORE, BE IT RESOLVED BY THE Board of County Commissioners of Brevard County, FLORIDA that:

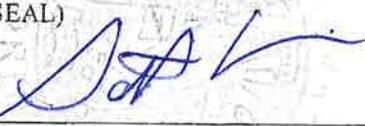
Section 1: The Board of County Commissioners of Brevard County hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for fiscal years 2018-2019, 2019-2020, and 2020-2021.

Section 2: The Chairman, is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.

Section 3: This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED THIS 24th DAY OF April, 2018.


Rita Pritchett, Chairman
As approved by the BOCC on April 24, 2018.

(SEAL)
ATTEST: 
Scott, Ellis, Clerk of the Court

Reviewed for legal form and content:
 4/3/18
(Assistant) County Attorney

**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity: Brevard County Board of County Commissioners

Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.
- (7) The LHAP conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the LHAP.
- (8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.
- (9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.
- (10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements (CAFR). An electronic copy of the CAFR or a hyperlink to the document shall be provided to Florida Housing by June 30 of the applicable year.

- (12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.
- (13) SHIP funds will not be pledged for debt service on bonds.
- (14) Developers receiving assistance from both SHIP and the Low Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). To the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility.
- (17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.
- (18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).

Kimberly Powell
Witness

Rita Pritchett
Chief Elected Official or designee

Donna Scott
Witness

Rita Pritchett, Chairman
Type Name and Title

4/24/18
Date

As approved by the BOCC on April 24, 2018.

OR
Scott Ellis

Diya
Assistant County Attorney

Attest: SCOTT ELLIS, CLERK
(Seal)

The Housing Strategies for FY 2019-2021 are proposed as follows:

1. Homeownership-Purchase Assistance with Rehabilitation- provides financial assistance for down payment costs, closing costs, reduction of mortgage principal, and improvements, which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.
2. Homeownership-Purchase Assistance without Rehabilitation- provides financial assistance for down payment costs, closing costs reduction of mortgage principal and education counseling.
3. Homeownership-Owner Occupied Rehabilitation- provides eligible homeowners with necessary major repairs to improve safety and or well-being to the owner-occupied home.
4. Homeownership-Demolition/Reconstruction- assistance in demolishing and rebuilding a house on the same location.
5. Homeownership-Emergency Repair- assistance with improvements, which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.
6. Homeownership-Acquisition/Rehabilitation/New Construction- assist non-profit and for-profit developers with SHIP funds for the acquisition of property associated with new construction or the rehabilitation of permanent housing for homeownership.
7. Rental-Rehabilitation/Land Acquisition/Construction- assist non-profit and for-profit developers with SHIP funds for land acquisition, new construction or rehabilitation of rental housing units.
8. Homeownership/Rental-Disaster Repair Mitigation- provides assistance to households following a natural disaster as declared by the President of the United States or Governor of the State of Florida.

Fiscal Impact: FY 17-18 - There will be no impact to the General Fund. All SHIP funds received will be deposited in Fund 1490

FY 18-19 - There will be no impact to the General Fund. All SHIP funds received will be deposited in Fund 1490

Contact: Linda Graham, Community Resources & Development Manager
Phone: 633-2076

March 23, 2018

Affordable Housing Council Local Housing Assistance Plan Approval

The Affordable Housing Council met on March, 22 2018, reviewed and approved the Local Housing Assistance Plan for the FY 2018-2021 with any necessary changes. The official meeting minutes will be approved at the next regularly scheduled meeting on May 17, 2018.

A handwritten signature in cursive script, reading "Marvin Shelton", is written over a horizontal line.

Marvin Shelton, Vice Chair
Affordable Housing Council

EXHIBIT "F"-ORDINANCE

N/A

EXHIBIT "G"-INTERLOCAL AGREEMENT

N/A

EXHIBIT "H"

HOUSING & HUMAN SERVICES DEPARTMENTAL POLICY

| | | |
|---|-------------|--|
| | NUMBER: | HS-007 - SHIP |
| TITLE: Brevard County Purchase Assistance Program Policy | CANCELS: | January 11, 2014 |
| | APPROVED: | April 25, 2017 |
| | ORIGINATOR: | Housing & Human Services Department |
| | REVIEW: | As needed |

I. OBJECTIVE

This policy is designed to be utilized by the Housing & Human Services Department to implement the Purchasing Assistance Program as approved by SHIP (State Housing Initiatives Partnership Program) administered by FHFC (Florida Housing Finance Corporation).

These funds are to provide down payment and closing cost assistance to eligible applicants. The income of the eligible applicants must be below 120% of the median income in Brevard County. Assistance provided is in the form of a deferred loan whereby a lien is attached to the property for 10 to 15 years depending upon the amount of assistance at zero percent interest. The policy identifies authority levels for approval and eligibility restrictions, which may exceed federal and state requirements.

II. DEFINITIONS AND REFERENCES

- A. Section 420.907 et seq. Florida Statutes, State Housing Initiatives Partnership Act.
- B. Administrative Rule or Emergency Rule (as determined by state, county or federal declaration) of the Florida Housing Finance Corporation, 67-37 et seq, State Housing Initiatives Partnership Program.
- C. Procurement Policy, BCC-25 – Policy approved by the Board of County Commissioners establishing a procurement policy in accordance with Florida Statute.

- D. Appeal Procedure – Established procedure and Departmental Policy by which an applicant may make a complaint or appeal a decision made by the Housing and Human Services Department.
- E. Applicant – A person or household who submits a signed and completed Housing and Human Services Department application for assistance.
- F. AMI – Area Median Income – Means the median family income in Brevard County, Florida, adjusted for family size, as published annually by the U.S. Department of Housing and Urban Development.
- G. Assets – Assets are defined by Section 8 regulations 24 CFR Part 5 Subpart F 5.603(b). Actual or “imputed” income from assets is included in projected annual income.
- H. Debt – Any obligation that will hinder the Household’s monthly mortgage payment, to include but not be limited to child care, car payments, loans, and child support.
- I. Default - A default shall be the occurrence of any of the following events, and upon that occurrence the Lender may, at the Lender’s option, declare all sums secured by the Mortgage to be immediately due and payable.
 - a. Nonperformance by the Applicant or Borrower of any covenant, agreement, term or condition of the Mortgage, or of the Note, or of any other agreement made by the Applicant or Borrower with the Housing and Human Services Department in connection with such indebtedness, after the Applicant or Borrower has been given due notice, as described hereafter, by the Housing and Human Services Department of such nonperformance;
 - b. Failure of the Applicant or Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of the Mortgage;
 - c. The Housing and Human Services Department’s discovery of the Applicant or Borrower’s failure in any application of the Applicant or Borrower to the Housing and Human Services Department to disclose any fact deemed by the Housing and Human Services Department to be material, or the making therein, or in any of the agreements entered into by the Applicant or Borrower with the Housing and Human Services Department (including, but not limited to, the Note and Mortgage) of any misrepresentation by, on behalf of, or for the benefit of the Applicant or Borrower; and
 - d. If property does not remain the principal residence of the Applicant or Borrower, or if all or any part of the property or an interest therein is rented, leased, sold or transferred by the Applicant or Borrower.

- J. Deferred Loan – A no-interest loan to an eligible Household that is forgiven without repayment upon satisfaction of all requirements of the Household's agreement with Brevard County. The Household has an option to repay the loan at any time within the 10 to 15 year lien period without penalties and interest accrual, assuming the loan is not in default at any time. Defaulted loans may be subject to interest penalties.
- K. Department – Housing and Human Services Department.
- L. Eligible Sponsor – A non-profit organization meeting the selection criteria set forth by the Brevard County Housing and Human Services Department who executes a contract to provide services to the Purchase Assistance Program.
- M. Fair Housing – Requirements for non-discrimination based on race, color, sex, disability, religion, familial status, or national origin in accordance with Federal Regulations found at 24 CFR 100-146 and State Law FS760.
- N. First Time Homebuyer – A household that has not owned a home during the last three year period immediately prior to purchase with Purchase Assistance funds, with exception of a person determined to be a displaced homemaker, single parent, or currently owns a substandard unit that cannot be reconstructed on site. (For the purpose of the program a "Home" is considered a conventional home, condominium, or townhouse, or modular home.
- O. General Property Improvements – These improvements include rehabilitation items that are not corrections of health and safety violations, but are improvements that place the unit in a readily maintainable condition.
- P. Household - "Household" includes all dwelling occupants to include, friends, legal spouse, children and relatives. Occupants not claiming the applicant dwelling as their primary residence should not be included in determination of eligibility if primary residency can be verified outside of the applicant's household for a period of six months or greater prior to the application and the occupant is not a signatory on any deed or mortgage associated with the applicant dwelling.
- If the co-signor is not a spouse, and can document his/her residence at another location, then his/her income is not calculated, however, he/she must sign the security instrument with the County.
- Q. Income – Projected annual income established in compliance with SHIP regulations, specifically established at 24 CFR Part 5.609.
- R. Liquid Assets – Liquid assets are those in the possession of the household seeking assistance, which can readily and promptly be turned into cash. Examples include, but are not limited to: Checking Accounts, Savings Accounts, Certificates of Deposit, Treasury Bonds, Money Market Funds, or Savings

Bonds. Not included in the liquid asset calculation are funds not readily accessible or specifically resulting from lump sum pension distributions, or other 401K/IRA-type retirement fund accounts designed to enhance social security benefits. Applicant must provide documentation from fund management institution of identification of these assets as intended retirement enhancement funding.

- S. Minimum Property Standards – Minimum Property Standards establish certain minimum standards for buildings constructed under various HUD programs. The Standards include specific requirements for the durability of such items as doors, windows, painting and wall coverings, kitchen cabinets, and carpeting. The standards ensure that the value of the home is not reduced by the deterioration of these components. (HUD Handbook 4910.1)
- T. Modular home - Defined as a dwelling which meets the certification process specified in Section 553, Part IV, Florida Statutes and meets the local Building Department code for modular housing. The modular home must have an approved device or seal issued by the Department of Community Affairs.
- U. Principal Residence – The Household must utilize the property as their primary residence, as established by eligibility for the State Department of Revenue Property Tax Homestead Exemption. The household may not vacate the unit for more than 120 consecutive days in any one calendar year for any reason, other than a hospital or nursing home stay.
- V. Rehabilitation – All assisted units must meet, at a minimum, the Standard Housing Code approved by Brevard County and the Program's written rehabilitation standards. Properties must meet local codes, including zoning regulations. The SHIP Program further defines rehabilitation as repairs or improvements that are needed for safe for sanitary habitation, correction of substantial code violation, or the creation of additional living space.
- W. Repayable Loan – a zero percent interest loan to an eligible Household that is repaid over a 120 month period. The Household has an option to repay the loan at any time within the 10 years lien period without prepayment penalty. Defaulted loans may be subject to interest penalties.
- X. SHIP – State Housing Initiatives Partnership Program administered by the Florida Housing Finance Corporation.
- Y. Standard Housing Code – Minimum standards for basic equipment and facilities for all buildings intended for occupancy by owner-occupants. Adopted standards are prepared by the Department of Housing and Urban Development (HUD): Housing Quality Standards and the Southern Building Code Congress International, Inc. and adopted by the Board of County Commissioners.

- Z. Subordination – the process of placing, ranking, or positioning a mortgage as secondary to the primary mortgage. The Purchase Assistance Program will remain in, second or third position.
- AA. Satisfaction – a document recorded with the Clerk of Court removing lien(s) from the property.

III. DIRECTIVES

A. Program Administration

The Brevard County Housing and Human Services Department shall be responsible for the administration and monitoring of the Purchase Assistance Program. At the discretion of the Department, an eligible Sponsor may be selected based upon criteria outlined in Brevard County's Board of County Commissioner approved Local Housing Assistance Plans.

B. Eligibility

1. Must be a first time homebuyer as defined by Florida Statute 420.907
2. Applicants must submit a signed and dated application provided by the Housing and Human Services Department. Income eligibility must be verified based on the regulations of the applicable funding source (SHIP) and BOCC approved policies. As funds become available, applicants will be asked to confirm completion of the Purchase Assistance Program Workshop.
3. The applicant must meet income guidelines of no more than 120% of the Brevard County MSA median income as provided annually by U.S. Department of Housing & Urban Development or the Florida Housing Finance Corporation.
4. The applicant must occupy residence as a principal residence for the affordability period of 10 to 15 years.
5. The applicant must attend the Purchase Assistance Workshop and receive a Certification within one year prior to closing.
6. The applicant may not receive assistance from another down payment assistance program except the Florida Housing Finance Corporation or Brevard County Housing Finance Authority whereby the Department would take a junior mortgage position. However, in consideration of escalating housing costs very low and low income applicants may utilize the Florida Housing Finance Corporation's Assistance Program(s) in conjunction with the Department's Program. Other assistance programs authorized by an instrument of government may be considered by the

Department. In these situations, third position can be taken when funds are approved by the Brevard County Board of County Commissioners. The Purchase Assistance Program must only be used to subsidize the remainder of the assistance needed to qualify applicants at the established affordability ratios. At no time will an applicant exceed the maximum amount of assistance determined by the Income Certification and allowed by the applicable state or federal rule(s).

7. Federal Housing Administration, Veterans Administration and Fannie Mae underwriting guidelines will be utilized when determining debt-to-income ratios. Brevard County will utilize the definition of "Affordable" provided in Chapter 420, Florida Statutes, State Housing Initiatives Partnership Program that states:

"...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... 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."

8. If Household is disqualified due to being over-income, the disqualification period will be 6 months from day of notice. At that time, the applicant/household may re-apply when the Program is open to new applicants.
9. The Household's liquid assets may not exceed \$8,000. Liquid assets are defined as, but not limited to: savings accounts, checking accounts, certificates of deposit, treasury bonds, money market funds, savings bonds, etc.
10. Ineligible Applicants will be counseled on the Department approved Appeal Procedure.
11. Applicants determined to be ineligible due to falsification of application will be disqualified from the Program for two years.
12. Applicants may be assisted only one time for the Purchase Assistance Program.

C. ELIGIBLE PROPERTY

1. Property must be located within Brevard County.

2. Property must be owner occupied or vacant.
3. New or existing property (to include lot) not to exceed 90% of the Area Median Purchase Price, as provided by Florida Housing Finance Corporation.
4. Property can be a house, townhouse, condominium, modular home or other type of dwelling that can be conveyed by title to be separate from other attached units. Owner association fees must be added to the mortgage payment when determining the final monthly payment.
5. Property and dwelling must meet the Standard Housing Code, Housing Quality Standards and/or any Department approved standards that may exceed the above-listed standards.

D. INELIGIBLE PROPERTY

- a. Manufactured homes or mobile homes are ineligible for the program.
- b. Property with a resident renter will be deemed ineligible for assistance.

E. FUNDING ALLOCATION

The Purchase Assistance Program is designed to increase the level of affordable home ownership for very low (0-50% AMI), low (51-80% AMI), and moderate (81-120% AMI) income households. Funding for the program is allocated by the SHIP Program.

F. MARKETING

1. Brevard County will take affirmative marketing steps to provide information and attract eligible persons from all racial, ethnic, and gender groups. A wide range of marketing strategies will be implemented to ensure that eligible persons living County-wide have a reasonable opportunity to be informed about the Purchase Assistance program opportunities being carried out by Brevard County.
2. On an annual basis, the County will review its marketing efforts to assess strategy effectiveness.

G. AVAILABLE ASSISTANCE

1. At no time will an applicant exceed the maximum amount of assistance determined by the Income Certification and allowed by the applicable state or federal rule(s).

| INCOME LEVEL | ASSISTANCE | LIEN TERMS |
|--------------------------|--------------------|-----------------------------|
| 0-50% Median Income | \$15,001-\$25,000 | 15 year forgivable mortgage |
| 51-80% Median Income | \$8,001 - \$15,000 | 10 year forgivable mortgage |
| 81-120% Median Income | \$1,000 - \$8,000 | 10 year repayable mortgage |

- Lien terms will be determined by total amount of assistance provided. Assistance may not exceed 35% of the purchase price of the home including the cost of land.

| LIEN PERIOD | ASSISTANCE AMOUNT | INCOME LEVEL | ANNUAL DEPRECIATION |
|-------------|-------------------|-------------------------------|---------------------|
| 10 years | Up to \$15,000 | Very low income Low Income | 1/10 of loan amount |
| 15 years | Over \$15,000 | Very low income Low Income | 1/15 of loan amount |

H. LOAN ASSISTANCE

- 81% to 120% Median Income Level - Assistance is in the form of a scheduled repayment loan made over a 10-year period at zero percent interest. The loan must be repaid in full in accordance with the BOCC approved recapture guidelines if the unit is sold, transferred, or is no longer the principal residence of the applicant or spouse during the affordability period. The repayment funds will be utilized to assist other purchase assistance applicants. Future assistance from any of the Department's programs is prohibited until any outstanding debt is paid or the default is cured.
- 0% to 80% Median Income Level - Assistance provided is in the form of a deferred loan at a zero percent interest rate. The loan must be repaid in full in accordance with the BOCC approved recapture guidelines when the unit is sold, transferred, or is no longer the principal residence of the applicant or spouse during the affordability period. The repayment funds will be utilized to assist other purchase assistance applicants. Future assistance from any of the Department's programs is prohibited until any outstanding debt is paid or the default is cured.

I. APPLICANT'S CASH OBLIGATION

The assistance offered through the Purchase Assistance Program will help families who do not have enough money for down payment and closing cost expenses to purchase homes. Households who are 0% to 50% of median income must provide a minimum of \$500 of their own funds for down payment and closing costs. Households 51% to 120% of median income must provide a minimum of \$1,000 for down payment or closing costs.

J. INTAKE/ASSESSMENT

Eligible applicants are processed in a first qualified, first served basis. Complete application packages are reviewed for initial income and asset eligibility, which may include credit report review and preliminary review of debt ratios.

K. HOUSING COUNSELING/HOME BUYER WORKSHOP

1. Attendance and completion of the designated Brevard County Purchase Assistance Workshop is mandatory. Applicants not fulfilling this requirement will not be eligible to receive funds under this Program. The course is designed to educate the applicant on the program's rules and regulations and all aspects of home ownership, fair housing, and post purchase counseling.
2. Applicants attending the Homebuyer Training Workshop who have special needs/requests must notify the Housing and Human Services Department office or designee 48 hours in advance.
3. The guidelines, procedures, and policies are available upon request from the Housing and Human Services Department to all interested eligible sponsor applicants, including the process for selection.

L. SELECTION OF HOUSE/INSPECTION

Once the applicant has completed the Purchase Assistance Workshop, all of the pending information is verified, and the applicant has been notified of funding availability, the applicant is ready to begin the search for a house. If the applicant decides to build or purchase an existing unit, he/she can do so as long as the property is in Brevard County. The total sales price may not exceed the amount determined by the counselor or Eligible Sponsor, and if necessary, the seller must execute a Brevard County provided addendum to the contract. The inspection must include a determination of what repairs or improvements are needed to be in compliance with applicable standards. Inspection of the property will only be performed if all utilities are turned on. The roof must have a

minimum five (5) year life expectancy determined by County approved inspection and be in working order.

1. New Construction – If the house has been constructed within the last 12 months, a copy of the certificate of occupancy (CO) is required and must be received by the Housing and Human Services office before closing and prior to assistance being provided, a County approved inspection may still be required.
2. Existing Unit – If the house is an existing unit, the home is required to be inspected by the Department or designee to determine that the house meets the Standard Housing Code Standards.
3. Inspection Process – Additional inspection(s) above the County's required inspection of the home is the responsibility of the homebuyer.

M. AGREEMENT

1. Approval of Mortgage – Upon approval of the first mortgage by the primary lending institution, the applicant shall sign an agreement that stipulates the rules and regulations governing the assistance, recapture restrictions, and/or transfer of property.
2. All eligible applicants must demonstrate adequate insurance coverage including flood insurance, if so required, for the duration of the lien.
3. The requirements within a commitment letter will be later bound by eligible a mortgage lien placed on the property. The mortgage shall not incur interest, if no default occurs.
4. The length of the mortgage period is determined by the total amount of funding used for down payment and closing cost assistance.
5. Death of the Borrower - Housing Client as used herein shall mean the Borrower. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).
 - a. If an eligible family member wishes to assume the existing mortgage, the family member shall have 180 days to make a written request to the Director of the Housing and Human Services Department to assume all of the obligations specified in the Borrower's mortgage. If a written request to assume the mortgage is not made within 180 days, Brevard County shall declare the Borrower's estate to be in

default, and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

- b. However, if within 180 days an eligible family member submits a written request to the County to assume the mortgage, the family member must demonstrate proof of legal title to the property and meet the current income and assets qualifications of Brevard County.
 - i. If the property does not have to undergo Probate, the family member shall have ninety (90) days to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
 - ii. If the property must undergo Probate, the family member shall have ninety (90) days from the date of acquiring clear title to the property, and have been determined income-eligible by the County, to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

6. Default of the Borrower - In the event the County declares a default and ninety (90) days pass without repayment to the County, the following shall occur: (a) the mortgage balance shall be frozen at the balance in place on the date of the Borrower's death; (b) the mortgage balance will cease to depreciate at the annual rate; and, (c) interest shall accrue at 5% per annum. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

7. No mortgage is considered satisfied until a Satisfaction of Mortgage is recorded with the Clerk of Courts by the Housing and Human Services Department.

N. TYPES OF MORTGAGES

1. FHA, VA, Conventional, Habitat for Humanity or other, fixed rate, 20, 25, or 30-year mortgages are eligible for assistance in the Purchase Assistance Program.
2. Lease-Purchase, Owner-Financed, or Adjustable Rate Mortgages are not allowed for use by a Purchase Assistance participating in this Program.
3. Mortgages will be evaluated by the Eligible Sponsor and/or Department staff for affordability. A maximum of two points in Origination Fees and Discount Fees are allowable. Case by case consideration will be given when assistance is leveraged with Florida Housing Finance Corporation, Brevard Housing Finance Authority programs or the client is extremely low/very low income. Interest rates in excess of one (1) percentage point above the average mortgage rate will be returned to the originating mortgage lender for re-negotiation of rate and may be subject to rejection of assistance to the applicant.
4. Total closing costs (excluding pre-paid charges) charged to the buyer may not exceed 5% of the loan amount.

O. SETTLEMENT OR CLOSING

1. Once the loan for the first mortgage is approved and all pre-closing repairs have been completed, the closing agent must provide a Settlement Statement (HUD-1) prior to the closing date (copy of the appraisal report and notification of Brevard County named as Loss Payee on hazard insurance and/or flood insurance must be received before check can be issued). The Eligible Sponsor or Department staff will prepare the second mortgage and provide it to the closing agent on the settlement date. The second mortgage will contain the total amount for down payment and closing costs.

If using a sponsor, files must be forwarded to the County within 90 days of closeout.

2. The documents are to be recorded and certified by the closing agent through the Clerk to the Circuit Court.

P. SUBORDINATION OF COUNTY LIENS

1. A borrower requesting a subordination of the County's lien must make this request in writing, indicating the reason for the request. The County Manager or Designee must authorize any subordination requested. Staff will identify for the County Manager or Designee, the current status of the

County's equity position, and the equity position if the subordination request is approved.

2. Requests, which include the receipt of cash from the refinancing transaction, will not be considered.
3. Requests that increase the affordability of the housing unit or assist a household with catastrophic medical expenses (for the lien holder or relative of the lien holder) not associated with consumer debt, shall be considered.
4. Applicants must not be in default of the County mortgage.
5. The Homeowner may be charged any recording fees necessary for the subordination.
6. Homeowners assisted under previous versions of this policy with amounts less than \$11,000 and lien terms exceeding 15 years may be satisfied upon request.

Q. SATISFACTION OF MORTGAGE

1. Upon satisfactory completion of the lien terms, a Satisfaction of Mortgage will be completed by the Department on behalf of the Board of County Commissioners and filed with the clerk of the court after review of the County Attorney and approval of the County Manager or Designee. The original Satisfaction of Mortgage will be mailed to the borrower.
2. A Homeowner seeking a satisfaction which includes a short payoff request (less than the total amount owed on the County's lien) must make this request in writing, indicating the reason for the request. Staff will identify for the County Manager or Designee, the current status of the County's equity position and any other applicable grant requirements. If all grant conditions are met and the reason for the request is acceptable, the County will accepted as its payoff, an equal percentage as that being accepted by the First Mortgage Holder (i.e., First Mortgage Holder has a Lien of \$100,000 and accepts 50% or \$50,000; Brevard County has a lien of \$40,000 and accepts 50% or \$20,000).
3. If the First Mortgage Holder is a Federal or State lending entity (i.e., Freddie Mac, Fannie Mae, Federal Housing Authority (FHA), VA Administration, Florida Housing Finance Corporation etc.) and its guidelines set a maximum allowable payoff, The County will accept the maximum allowable payoff for satisfactory completion of the County's lien. In cases where multiple Federal or State Lending entities have an interest in the property, the County will take an equal share of the maximum allowable payoff (i.e., FHA \$6,000; VA \$6,000 and Brevard County \$6,000).

R. FOLLOW-UP

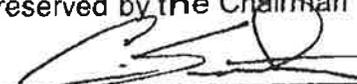
Annually a sampling of case files will be pulled for monitoring. Certified letters will be sent to the applicants pulled requesting proof of residency (i.e. utility bill in their name). Also the local property appraiser's site will be checked to ensure that the client is listed as owner. If the applicant fails to return the requested information or the property appraiser's site does not list the client as owner, the County Attorney's office will be contacted for legal direction.

S. REQUEST FOR DETERMINATION

When a request is received concerning the status of an existing mortgage lien, whether for purposes of subordination, satisfaction, bankruptcy, or other similar purpose, the Housing and Human Services Department will evaluate the mortgage lien and adopt the current, approved policy. This action may result in amortization of mortgage balance, reduction of lien term, or satisfaction of mortgage.

IV. RESERVATION OF AUTHORITY

The authority to issue or revise this Policy is reserved by the Chairman of the Brevard County Board of County Commissioners.



Chairman CURT SMITH

Brevard County Board of County
Commissioners

Approved by the Board on April 25, 2017

ATTEST:



Scott Ellis, Clerk

BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

RITA PRITCHETT, CHAIRMAN
FRANK ABBATE, COUNTY MANAGER

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2018-2019, 2019-2020, 2020-2021

BREVARD COUNTY HOUSING AND HUMAN SERVICES DEPARTMENT
IAN GOLDEN, DIRECTOR

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I. Program Details:

A. Name of the participating local government:

Brevard County Housing and Human Services

Inter-local Agreement: Yes _____ No X

If “Yes”, name local government(s) in the Inter-local Agreement:

A copy of the Inter-local Agreement must be attached as Exhibit G.

B. Purpose of the program:

- Creation of the Plan is for the purpose of meeting the housing needs of the very low, low, and moderate –income households
- To expand production of and preserve affordable housing
- To further the housing element of the local government’s comprehensive plan specific to affordable housing
- To meet the priorities established in the adopted Brevard County Consolidated Planning Document.

C. Fiscal years covered by the Plan:

2018-2019, 2019-2020, 2020-2021

D. Governance:

Chapter 67-37.005(3)and(5)(i)F.A.C. and Section 420.9071(14)F.S.

The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Brevard County is in compliance with these applicable statues, rules and any additional requirements as established through the legislative process.

E. Local Housing Partnership:

Section 420.9072(1)(a), F.S.

The Brevard County SHIP Program encourages building active partnerships between government, lenders, builders, developers, real estate professionals, advocates for low-income persons and community groups.

F. Leveraging:

SHIP funds are used to meet the match requirement for Federal HOME funds. In addition to receiving SHIP funds, the County utilized additional funds from local, state and federal organizations to help address identified priorities, objectives and outcomes including creating sustainable housing and increasing the availability/accessibility of housing:

- \$ 408,160 - Community Based Organization (General Fund)
- \$ 171,002 - DOE Weatherization
- \$ 906,486 - Community Development Block Grant (CDBG)
- \$ 507,008- HOME
- \$ 1,141,878 - Low Income Home Energy Assistance Program (LIHEAP)
- \$ 180,526 - Community Services Block Grant (CSBG)
- \$ 238,991 - Emergency Services

G. Public Input:

Chapter 67-37.005(3), F.A.C.

The Brevard County Affordable Housing Council (AHC) meets regularly at advertised meetings, comments regarding the program are encouraged and welcomed on each agenda. The general public is welcomed and encouraged to participate. The AHC reviewed the LHAP at a public meeting held on March 22, 2018. Local providers are asked to present on a regular basis. Public input was solicited through face-to-face meetings with housing providers, social service providers and local lenders and neighborhood associations.

H. Advertising and Outreach:

Chapter 67-37.005(6)(a), F.A.C.

All notices for funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods 30 days prior to any application for funds. Other outreach activities will include; brochures on the County's housing programs, interactive county website and promotion of housing programs at various community events. If no funding is available due to a waiting list, no notice of funding availability will be advertised.

I. Waiting List/Priorities:

The Department establishes and maintains a Waiting List when funds are available. A preliminary eligibility screening is initiated when an applicant contacts the Department and requests housing rehab/repair assistance. If in this preliminary process the household appears to be eligible, the applicant is placed on the Waiting List in the order in which the request is made (i.e., by date of contact).

Applicants are removed from the list when:

- a. they are determined, by the housing counselor, to be eligible to participate in the Program and their file is assigned to a housing inspector; or,
- b. they are determined by Department staff to be ineligible to participate in the Program.

The Waiting List will be closed to new applicants when the estimated costs for repair; rehabilitation or reconstruction for approved applicants exceeds 140 percent of that year's funding allocation. In the event the Department closes the Waiting List, it will re-open when new funding is available, at the Department's discretion.

The Department reserves the right to adjust the Waiting List to meet State required Set-Asides and expenditure requirements.

The following priorities for funding described/listed here apply to all strategies unless otherwise stated in the strategy: Once the application is complete, it will be forwarded to the County's Housing Inspection team for a preliminary property inspection. The primary purpose of this inspection is to determine whether there are life threatening conditions at the property. This is also the first step in the ranking of applications. The ranking system is based on:

- a. the condition of the dwelling,
- b. the composition of the household, and
- c. the income level of the household.

The ranking score is the total of all points. The household with the highest score will be served first, followed by the next highest score, and so on. In the event that households have identical scores, homes with conditions that have been determined by the County Housing Inspection team to be life threatening will be served first. If scores remain tied, the household with the earliest application receipt date will be served first.

Ranking score potentials are shown below.

1. Income:

- a. household income 30% or less of area medium income: 30 points.
- b. household income 31% to 50% of area medium income: 20 points.
- d. household income 51% to 80% of area medium income: 10 points (this group is not eligible for Restoration assistance).

2. Household Composition:

- a. 10 points for each member 62 years of age and older.
- b. 10 points for each household member who is defined as "special needs".
- c. 10 points for each person five (5) years of age or younger.

3. Dwelling: 50 points for dwellings with life threatening conditions.

Life Threatening conditions are those requiring immediate corrective action due to occurrences of hazardous conditions that threaten the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection.



J. Discrimination:

Section 420.9075(3)(c), F.S.

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.

K. Support Services and Counseling:

Support services are available from various service providers through Brevard County's 211 Social Service Referral Agency. These service providers include, but are not limited to; Homeownership Counseling (English & Spanish), Credit Counseling, Foreclosure Prevention Counseling, Fair Housing Tenant Counseling, Counseling (Mental Health, Substance Abuse, Family), Community Services, United Way, Community Action Agency, and Sharing Centers.

L. Purchase Price Limits:

Section 420.9075(4)©, F.S. and Chapter 67-37.007(6)F.A.C.

The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12 month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower, but may not exceed 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

- U.S. Treasury Department
- Local HFA Numbers

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

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, Brevard County has, in place, a qualification system and selection criteria for applications for awards to eligible sponsors which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.

O. Monitoring and First Right of Refusal:

The Right of First Refusal shall provide that sale of the property to another party may occur only with approval from Brevard County, and that CHDOs, Brevard County Housing Authorities and other qualified non-profit organizations must be given an opportunity to purchase the property before it can be marketed on the open market. If a qualified buyer cannot be found within thirty (30) days, the Owner may sell the property to any buyer; provided, however, that the purchaser shall assume all obligations of the Owner under this Agreement, include the Mortgage Note, the Mortgage Deed, and the Land Use Restriction Agreement. Provisions in those documents provide for the retraction of the affordability and/or lien requirements only in the event of a third-party foreclosure or a deed in lieu of foreclosure.

P. Administrative Budget:

A line-item budget of proposed Administrative Expenditures is attached as Exhibit A. The budgets are presented on an annual basis for each State fiscal year submitted. Brevard County finds that the monies deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states: "A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan."

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: "The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs."

Brevard County has adopted the above findings in the resolution attached as Exhibit E.

Q. Program Administration:

Administration of the local housing assistance plan, with the exception of Purchase Assistance Program, which is contracted to a Sub-Recipient, will be wholly performed and maintained by the Brevard County Housing and Human Services Department.

R. Project Delivery Costs:

Project delivery costs include; the cost of inspections, work write-ups, lodging, storage, title searches, etc.

S. Essential Service Personnel Definition:

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

Essential service personnel are defined as all persons who contribute to the growth and well-being of Brevard County. This includes; but is not limited to, any persons employed by an educational, governmental, or health care institution, or any building trade personnel and financial and hospitality personnel.

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

Activities shall be consistent with efficiency levels in the Building America Program, as created by the US Department of Energy, in cooperation with the Florida Solar Energy Center at the University of Central Florida, and established state and local building codes. Typical low cost features include:

- Seal the building envelope
- Segregate and maintain combustion equipment
- Provide adequate ventilation
- Seal and insulate ducts
- Increase insulation
- Radiant barriers
- Install programmable thermostats
- Light colored/reflective roofing materials
- Light colored/reflective exterior wall paint
- Low-flow showerheads
- High efficiency LED indoor and outdoor lighting
- Ceiling fans
- Design for structural shading and day lighting for doors and windows by porches or overhangs
- Tile flooring
- Window films
- Planting of climate and seasonal appropriate shade trees and types at optimum locations on home site

Typical Moderate to High Cost Features:

- Upgrade HVAC system
- Install Energy Star Appliances
- Consider placement of return & delivery registers and ducts
- Solid insulated duct system



Hazard Mitigation Features:

- High impact windows
- Storm shutters
- Roof decking
- Exterior door

U. Describe efforts to meet the 20% Special Needs set-aside:

Efforts are made to meet the 20% set-aside by marketing through non-profit agencies that provide services to special needs customers. In addition, both rental and homeownership Request for Proposal applications give extra points for projects that have units designated for individuals with special needs. During this LHAP period the intent is to issue at least one RFP that will exclusively fund an affordable housing project (s) for our special needs population.

V. Describe efforts to reduce homelessness:

In addition to Request for Proposals giving extra points for projects that serve our homeless population, during this LHAP period the intent is to issue at least one RFP that will exclusively fund an affordable housing project(s) to benefit our homeless population.

Brevard County Housing and Human Services is a member of the Brevard Homeless Coalition (BHC), a non-profit organization whose mission is to provide a framework of services to prevent and eliminate homelessness in Brevard County. The BHC uses a barrier-free, client-driven Housing First Approach with partner agencies. Outreach, assessment, shelter, financial assistance, prevention, rapid re-housing, and permanent supportive housing services are provided to chronically homeless individuals, at-risk individuals and families, youth, veterans, as well as victims of domestic violence and trafficking on the basis of acuity.

Section II. LHAP Strategies:

| | |
|---|-----------------------------|
| <p>A. Homeownership-Purchase Assistance with Rehab/Purchase Assistance without Rehab</p> | <p>Code 1& 2</p> |
|---|-----------------------------|

a. Summary of Strategy:

The Purchase Assistance Strategy will follow the Brevard County Purchase Assistance Program Policy No. HS-007 (See Exhibit H)

The purpose of the Brevard County Purchase Assistance Program is to provide financial assistance for existing and newly constructed units for down payment costs, closing costs, reduction of the mortgage principle and education counseling. Homebuyer Education Program is a free service to anyone, and provides education, counseling and technical services to assist potential very low, low and moderate income families in the process of purchasing an affordable single family, fee simple housing unit with SHIP purchase assistance funding.

Subordinations and Satisfactions of Brevard County liens shall follow the Brevard County Purchase Assistance Policy No. HS-007.

b. Fiscal Years Covered:

2018-2019, 2019-2020, and 2020-2021

c. Income Categories to be served:

Very Low, Low and Moderate

d. Maximum award:

| | |
|----------|----------|
| Very Low | \$25,000 |
| Low | \$15,000 |
| Moderate | \$ 8,000 |

e. Terms:

1. Repayment loan/deferred loan/grant:

Down payment and closing cost assistance will be in the form of a deferred loan secured by a recorded Mortgage and Note.

2. Interest Rate:

0%

3. Years in loan term:

15 years (Very-low)
10 years (Low)
10 years (Moderate)

4. Forgiveness:

For very-low and low income categories, the funds will be forgiven on a prorated basis annually over the term of the loan.

5. Repayment:

For moderate income category, the outstanding balance shall be paid over a period of ten years.

6. Default:

A default shall be the occurrence of any of the following events, and upon that occurrence the Lender may, at the Lender's option, declare all sums secured by the Mortgage to be immediately due and payable.

a. Nonperformance by the Applicant or Borrower of any covenant, agreement, term or condition of the Mortgage, or of the Note, or of any other agreement made by the Applicant or Borrower.

b. Failure of the Applicant or Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of the Mortgage.

c. The Housing and Human Services Department's discovery of the Applicant's or Borrower's failure to disclose any fact or any misrepresentation by, on behalf of, or for the benefit of the Applicant or Borrower.

d. If property does not remain the principal residence of the Applicant or Borrower, or if all or any part of the property or an interest therein is rented, leased, sold or transferred by the Applicant or Borrower.

e. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible family member desires to reside in the home.

If an eligible family member wishes to assume the existing mortgage, the family member shall have 180 days to make a written request to the Director of the Housing and Human Services Department to assume all of the obligations specified in the Borrower's mortgage. If a written request to assume the mortgage is not made within 180 days, Brevard County shall declare the Borrower's estate to be in default, and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

However, if within 180 days an eligible family member submits a written request to the County to assume the mortgage, the family member must demonstrate proof of legal title to the property and meet the current income and assets qualifications of Brevard County.

If the property does not have to undergo Probate, the family member shall have ninety (90) days to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

If the property must undergo Probate, the family member shall have ninety (90) days

from the date of acquiring clear title to the property, and have been determined income-eligible by the County, to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

In the event the County declares a default and ninety (90) days pass without repayment to the County, the following shall occur: (a) the mortgage balance shall be frozen at the balance in place on the date of the Borrower's death; (b) the mortgage balance will cease to depreciate at the annual rate; and, (c) interest shall accrue at 5% per annum.

Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

f. Recipient Selection Criteria:

Funds will be available on a first-qualified, first-served basis. The applicant must be a first time home buyer (a person who has not owned a home within the last three (3) years other than a mobile or manufactured home -HUD Certified), as defined by Florida Statue 420.907 and amended from time to time. Exceptions will be made for applicants who are defined by HUD as:

- Single Parent
- Displaced Home Maker
- An applicant living in a substandard dwelling that costs more to rehabilitate than build a new dwelling to bring the structure in compliance with local building and housing codes.

Exceptions may also be made when Brevard County has been declared a Disaster Area and homeowner's dwelling was destroyed as a result of the disaster.

g. Sponsor/Developer Selection Criteria:

Through a competitive Request for Proposal process, Brevard County seeks a qualified Sponsor to provide day to day operations of the Purchase Assistance Program and Purchase Assistance workshops.

Respondent must be financially sound and have demonstrated the capacity to perform State Housing Initiatives Partnership Program (SHIP) assisted activities with a minimum of the following:

Experienced staff that has successfully completed at least one (1) similar program in size and scope. Cannot use consultants as advisors to demonstrate capacity except during the first year of operation.

The Sponsor/Developer must have a minimum of three (3) years of experience serving the community by providing a similar service. For urban areas, community includes neighborhoods, the city, county or metropolitan areas. For rural areas, community includes neighborhood, towns and villages.

h. Additional Information:

The amount of assistance will be determined based on income and need, on an individual basis. Only the amount of subsidy necessary to purchase the home shall be provided.

All recipients must complete a mandatory (4) hour Housing Counseling/Homebuyer Workshop by a County approved provider.

A manufactured homes or mobile homes are ineligible for the program.

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| B. Homeownership-Owner Occupied Rehabilitation | Code 3 |
|---|---------------|

a. Summary of Strategy:

The Owner-Occupied Rehabilitation Strategy will follow the County's Repair, Rehabilitation, and Reconstruction Policy No. HS-028 (See Exhibit I).

This strategy is designed to assist eligible homeowners with necessary major repairs to improve the occupant(s) safety and well-being, and/or contribute to the structural integrity and preservation of their owner-occupied home.

Eligible rehabilitation activities are as follows:

1. The correction of existing code violations
2. Materials - Materials identified and determined necessary in the work-write up or subsequent change orders
3. Incipient Code Violations which occur at the time of inspection due to an element in the dwelling which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the lien period and become a code violation.
4. Permits and Fees required to carry out the proposed work.
5. Equipment necessary for the maintenance of the household in a safe, sanitary, and healthy environment.
6. Special Needs alterations or costs related with making the dwelling more convenient or accessible for handicapped persons.
7. Energy Conservation costs associated with weatherization and energy conservation in substantial rehabilitation or reconstruction
8. Lead Based Paint costs associated with the control of lead-based paint hazards in compliance with 24 CFR, Part 570, Section 608.



- 9. Furniture Moving and Storage costs for storing household furnishings during construction
- 10. Plans identified and determined necessary in the work-write up.
- 11. Filing Fees and other associated soft costs (i.e. title searches, storage, lodging, insurance, etc.).
- 12. Environmental review and possible mitigation costs.

b. Fiscal Years Covered:

2018-2019, 2019-2020, and 2020-2021

c. Income Categories to be served:

Very Low, Low and Moderate

d. Maximum award:

| | |
|----------|----------|
| Very Low | \$70,000 |
| Low | \$70,000 |
| Moderate | \$70,000 |

In the event estimates are too high, the Program may work with the Eligible Property Owner and Contractor to scale down the scope of work, or the Program may ask the Eligible Property Owner to obtain a lower bid. Should all bids exceed the maximum allowable budget, the Program shall deem the project as ineligible. If a homeowner cannot be assisted, the homeowner is allowed to re-apply after six months provided the program is accepting applications.

Note: For repairs, when only one trade is needed to do the repair (i.e. roof, HVAC or plumbing) the homeowner can obtain three (3) written quotes directly from licensed and insured trade contractors.

e. Terms:

- 1. Repayment loan/deferred loan/grant:

Owner Occupied Rehabilitation assistance will be provided in the form of a deferred loan secured by a recorded Mortgage and Note.

- 2. Interest Rate:

0%

3. Years in loan term:

- 5 Years
- 10 Years
- 15 Years

4. Forgiveness:

The loan will be forgiven on a prorated basis annually over the term of the loan. On each anniversary date of the execution of the mortgage, the value of one year's payment will be deducted from the original balance owed.

5. Repayment:

Not required as long as the loan is in good standing.

6. Default:

Default of the Housing Client: Upon default of the Housing Client, the County may, at its option, declare all sums secured by the Mortgage to be immediately due and payable. Otherwise Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. If no refinance, sale, or transfer of the property occurs at the time of default of the Owner, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place at the date of default. After 90 days, if the lien is not paid in full, interest shall accrue at 5% per annum. The lien will continue against the property until repayment plus interest is satisfied. All eligible funds repaid to the County shall be considered program income. All defaulted loans repaid to the County will be considered recaptured funds. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

Death of the Housing Client: Housing Client as used herein shall mean the Borrower. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).

f. **Recipient Selection Criteria:**

Funds will be available on a first qualified, first served basis. Applicants must own and occupy their home. Applicants must address any title, lien, or income eligibility issues before they are determined eligible. Applicants will be selected according to the greatest need based on criteria including but not limited to income, age, disability, households with children under age of 5, and dwelling situations that present a health or safety condition; as determined by initial in-house inspection. Selection will follow the Brevard County Housing guidelines.

g. Sponsor/Developer Selection Criteria:

The Brevard County Department of Housing and Human Services will administer the Rehabilitation Strategy.

h. Additional Information:

This strategy may be combined with other state, federal, or local programs.

Units assisted must be within Brevard County, but located outside the city limits of Titusville, Cocoa, Melbourne and Palm Bay.

A manufactured home or a mobile home is not eligible under this strategy.

Subordination of Liens: Subordination requests will be reviewed on a case by case basis in accordance with the County's Repair, Rehabilitation, and Reconstruction Policy No. HS-028. The Brevard County Department of Housing and Human Services will inspect units and provide cost estimates and bid packets to homeowners to utilize soliciting eligible contractors. Additionally a list of County verified licensed and insured contractors will be provided. Solicitations of Bids are not restricted to the County list. Applicants may choose any licensed and insured contractor. Energy Star recommendations will be used when cost effective.

Waivers are contingent on the availability of funds. Repairs, rehabilitation and reconstruction housing projects that require immediate corrective action due to occurrences of hazardous conditions that threaten the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection can be approved for immediate assistance by the HHS Director.

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| C. Homeownership-Demolition/Reconstruction | Code 4 |
|---|---------------|

a. Summary of Strategy:

The Homeownership-Demolition/Reconstruction Strategy will follow the County's Repair, Rehabilitation, and Reconstruction Policy No. HS-028 (See Exhibit I).

This strategy is designed to assist eligible homeowners with necessary major repairs to improve the occupant(s) safety and well-being, and/or contribute to the structural integrity and preservation of their owner-occupied home, or to assist eligible homeowners with the reconstruction of a replacement house when it has been determined that it is not economically feasible to rehabilitate the unit.

Loans for reconstruction assistance may include costs related to all eligible construction costs as well as soft costs associated with the project, short-term relocation costs, temporary storage, closing costs and direct staff costs for inspections and work write-ups.

b. Fiscal Years Covered:

2018-2019, 2019-2020, 2020-2021

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

Very Low, Low and Moderate

d. **Maximum award:**

| | |
|----------|-----------|
| Very Low | \$145,000 |
| Low | \$145,000 |
| Moderate | \$145,000 |

In the event estimates are too high, the Program may work with the Eligible Property Owner and Contractor to scale down the scope of work, or the Program may ask the Eligible Property Owner to obtain a lower bid. Should all bids exceed the maximum allowable budget, to include construction costs, lodging, storage, labor distribution, and administrative costs, the Program shall deem the project as ineligible. If a homeowner cannot be assisted, the homeowner is allowed to re-apply after six months provided the program is accepting applications.

Note: For repairs, when only one trade is needed to do the repair (i.e. roof, HVAC or plumbing) the homeowner can obtain three (3) written quotes directly from licensed and insured trade contractors.

e. **Terms:**

1. Repayment loan/deferred loan/grant:

Reconstruction assistance will be provided in the form of a deferred loan secured by a recorded Mortgage and Note.

2. Interest Rate:

0%

3. Years in loan term:

5 Years
10 Years
15 Years

4. Forgiveness:

The loan will be forgiven on a prorated basis annually over the term of the loan. On each anniversary date of the execution of the mortgage, the value of one year's payment will be deducted from the original balance owed.



5. Repayment:

Not required as long as the loan is in good standing.

6. Default:

Default of the Housing Client: Upon default of the Housing Client, the County may, at its option, declare all sums secured by the Mortgage to be immediately due and payable. Otherwise Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. If no refinance, sale, or transfer of the property occurs at the time of default of the Owner, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place at the date of default. After 90 days, if the lien is not paid in full, interest shall accrue at 5% per annum. The lien will continue against the property until repayment plus interest is satisfied. All eligible funds repaid to the County shall be considered program income. All defaulted loans repaid to the County will be considered recaptured funds. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

Death of the Housing Client: Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).

f. **Recipient Selection Criteria:**

Funds will be available on a first qualified, first served basis. Applicants must own and occupy their home. Applicants must address any title, lien, or income eligibility issues before they are determined eligible. Applicants will be selected according to the greatest need based on criteria including but not limited to income, age, disability, households with children under age of 5, and dwelling situations that present a health or safety condition; as determined by initial in-house inspection. Selection will follow the Brevard County Housing guidelines.

g. **Sponsor/Developer Selection Criteria:**

The Brevard County Department of Housing and Human Services will administer the Demolition/ Reconstruction Strategy.

h. **Additional Information:**

This strategy may be combined with other state, federal, or local programs.

Units assisted must be within Brevard County, but located outside the city limits of Titusville, Cocoa, Melbourne and Palm Bay.



Mobile homes and manufactured homes are eligible for Reconstruction assistance if the owner agrees to have the old unit removed from the site.

Subordination of Liens: Subordination requests will be reviewed on a case by case basis in accordance with the County's Repair, Rehabilitation, and Reconstruction Policy No. HS-028. The Brevard County Department of Housing and Human Services will inspect units and provide cost estimates and bid packets to homeowners to utilize soliciting eligible contractors. Additionally a list of County verified licensed and insured contractors will be provided. Solicitations of Bids are not restricted to the County list. Applicants may choose any licensed and insured contractor. Energy Star recommendations will be used when cost effective.

Waivers are contingent on the availability of funds. Repairs, rehabilitation and reconstruction housing projects that require immediate corrective action due to occurrences of hazardous conditions that threatens the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection can be approved for immediate assistance by the HHS Director.

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| D. Homeownership-Emergency Repair | Code 6 |
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a. **Summary of Strategy:**

The Homeownership-Emergency Repair Strategy (referred to as "Repair") will follow the County's Repair, Rehabilitation, and Reconstruction Policy No. HS-028 (See Exhibit I).

This program is designed to assist with repairs necessary for long term preservation and maintenance of structural integrity as outlined below:

1. Septic system repairs
2. HVAC repair/replacement
3. Repair to broken plumbing lines
4. Electrical hazard repairs
5. Water heater repair/replacement
6. Handicap accessibility installations
7. Any other situation deemed to be an eligible minor repair after conducting an inspection, completing a work write-up, and receiving the approval of the Department Director or his/her designee.

Subordinations and Satisfactions of Brevard County liens shall follow the Brevard County Repair, Rehabilitation and Reconstruction Housing Program Policy No. HS-028.

b. **Fiscal Years Covered:**

2018-2019, 2019-2020, 2020-2021

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

d. **Maximum award:**

| | |
|----------|----------|
| Very Low | \$50,000 |
| Low | \$50,000 |
| Moderate | \$50,000 |

In the event estimates are too high, the Program may work with the Eligible Property Owner and Contractor to scale down the scope of work, or the Program may ask the Eligible Property Owner to obtain a lower bid. Should all bids exceed the maximum allowable budget, to include construction costs, lodging, storage, labor distribution, and administrative costs, the Program shall deem the project as ineligible. If a homeowner cannot be assisted, the homeowner is allowed to re-apply after six months provided the program is accepting applications.

Note: For repairs, when only one trade is needed to do the repair (i.e. roof, HVAC or plumbing) the homeowner can obtain three (3) written quotes directly from licensed and insured trade contractors.

e. **Terms:**

1. Repayment loan/deferred loan/grant:

Repair assistance will be provided in the form of a deferred loan secured by a recorded Mortgage and Note.

2. Interest Rate:

0%

3. Years in loan term:

5 Years
10 Years
15 Years

4. Forgiveness:

The loan will be forgiven on a prorated basis annually over the term of the loan. On each anniversary date of the execution of the mortgage, the value of one year's payment will be deducted from the original balance owed.

5. Repayment:

Not required as long as the loan is in good standing.

6. Default:

Default of the Housing Client: Upon default of the Housing Client, the County may, at its option, declare all sums secured by the Mortgage to be immediately due and payable. Otherwise Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. If no refinance, sale, or transfer of the property occurs at the time of default of the Owner, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place at the date of default. After 90 days, if the lien is not paid in full, interest shall accrue at 5% per annum. The lien will continue against the property until repayment plus interest is satisfied. All eligible funds repaid to the County shall be considered program income. All defaulted loans repaid to the County will be considered recaptured funds. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

Death of the Housing Client: Housing Client as used herein shall mean the Borrower. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).

f. **Recipient Selection Criteria:**

Funds will be available on a first-qualified, first-served basis. Applicants must own and occupy their home. Applicants must address any title, lien, or income eligibility issues before they are determined eligible. Applicants will be selected according to the greatest need based on criteria including but not limited to income, age, disability, households with children under age of 5, and dwelling situations that present a health or safety condition; as determined by initial in-house inspection. Selection will follow the Brevard County Housing guidelines.

g. **Sponsor/Developer Selection Criteria:**

The Brevard County Department of Housing and Human Services will administer the Emergency Repair Strategy.

h. **Additional Information:**

Mobile homes and manufactured homes are not eligible under this strategy.

Units assisted must be within Brevard County, but located outside the city limits of Titusville, Cocoa, Melbourne and Palm Bay (exceptions being homeowners whose property lies in a municipality that has recently received infrastructure and/or improvements funded by Brevard County) in accordance with the County's Repair, Rehabilitation, and Reconstruction Policy No. HS-028.

Applicants may also be reviewed for eligibility for the Weatherization Assistance



Program (WAP) and the Weatherization/Low Income Home Energy Assistance Program. When a SHIP client is in the queue receives weatherization assistance, the SHIP client shall be moved up in the queue to coincide with the weatherization job.

Subordination of Liens: Subordination requests will be reviewed on a case by case basis in accordance with the County’s Repair, Rehabilitation, and Reconstruction Policy No. HS-028.

Waivers are contingent on the availability of funds. Repairs, rehabilitation and reconstruction housing projects that require immediate corrective action due to occurrences of hazardous conditions that threatens the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection can be approved for immediate assistance by the HHS Director.

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| <p>E. Homeownership- Demolition/Reconstruction, Impact Fees, Acquisition/Rehabilitation/New Construction</p> | <p>Code 4, 8, 9, 10</p> |
|---|--------------------------------|

a. Summary of Strategy:

This strategy is designed to assist non-profit and for-profit developers with SHIP funds for the acquisition of property, demolition of property associated with the new construction or the rehabilitation of permanent housing for homeownership for very-low and low income households. Eligible uses include acquisition of land and all costs associated with the development of the project. Other eligible costs associated with this activity include direct staff costs for work write-ups and inspections associated with project, utility and sewage installation, connection fees and payment of impact fees.

b. Fiscal Years Covered:

2018-2019, 2019-2020, and 2020-2021

c. Income Categories to be served:

Very Low, Low, Moderate

d. Maximum award:

The maximum award for acquisition, demolition and development associated with new construction homeownership shall not exceed the current HUD New Home/Homeownership Value Limit.

The maximum award for acquisition, demolition and development associated with rehabilitation of an existing unit shall not exceed the current HUD New Home/Homeownership Value Limit.



The maximum award for impact fee assistance shall not exceed the current amount determined by the municipality in which the project exists.

e. **Terms:**

1. Repayment loan/deferred loan/grant:

The assistance will be given in the form of a forgivable loan to the non-profit developers or a forgivable lien incorporated into any other assistance provided by the County for eligible households and will be subject to a lien and all other stipulations as directed within the Purchase Assistance Strategy and Brevard County Purchase Assistance Program Policy.

2. Interest Rate:

0%

3. Years in loan term:

15 years (Very-low)

10 years (Low)

10 years (Moderate)

4. Forgiveness:

For very-low and low income categories, the funds will be forgiven on a prorated basis annually over the term of the loan.

5. Repayment:

For moderate income category, the outstanding balance shall be paid over a period of ten years.

6. Default:

A default shall be the occurrence of any of the following events, and upon that occurrence the Lender may, at the Lender's option, declare all sums secured by the Mortgage to be immediately due and payable.

a. Nonperformance by the Applicant or Borrower of any covenant, agreement, term or condition of the Mortgage, or of the Note, or of any other agreement made by the Applicant or Borrower.

b. Failure of the Applicant or Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of the Mortgage.

c. The Housing and Human Services Department's discovery of the Applicant's or Borrower's failure to disclose any fact or any misrepresentation by, on behalf of, or for

the benefit of the Applicant or Borrower.

d. If property does not remain the principal residence of the Applicant or Borrower, or if all or any part of the property or an interest therein is rented, leased, sold or transferred by the Applicant or Borrower.

e. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible family member desires to reside in the home.

If an eligible family member wishes to assume the existing mortgage, the family member shall have 180 days to make a written request to the Director of the Housing and Human Services Department to assume all of the obligations specified in the Borrower's mortgage. If a written request to assume the mortgage is not made within 180 days, Brevard County shall declare the Borrower's estate to be in default, and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

However, if within 180 days an eligible family member submits a written request to the County to assume the mortgage, the family member must demonstrate proof of legal title to the property and meet the current income and assets qualifications of Brevard County.

If the property does not have to undergo Probate, the family member shall have ninety (90) days to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

If the property must undergo Probate, the family member shall have ninety (90) days from the date of acquiring clear title to the property, and have been determined income-eligible by the County, to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.

In the event the County declares a default and ninety (90) days pass without repayment to the County, the following shall occur: (a) the mortgage balance shall be frozen at the balance in place on the date of the Borrower's death; (b) the mortgage balance will cease to depreciate at the annual rate; and, (c) interest shall accrue at 5% per annum. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.



f. Recipient Selection Criteria:

Applications from potential homebuyers will be reviewed for eligibility by the program sponsor and will be approved on a first-qualified, first-served basis. The homebuyer must have an income at or below 80% of Area Median Income, and must be able to obtain a first mortgage for the purchase of the property.

g. Sponsor/Developer Selection Criteria:

Applications from potential housing developers will be accepted on an on-going basis as funds are available, or through a Request for Proposal process. Housing developers used to implement this program will be selected and/or accepted based on criteria including, but not limited to the following:

- a) Capacity of the applicant
- b) Ability to proceed
- c) Proof of site control
- d) Amount of other funds leveraged for the project
- e) Financial strength of the applicant
- f) Ability of the applicant to complete the project by the deadlines
- g) Preference will be given to applicants who employ personnel from Workforce Development Initiatives programs

h. Additional Information:

All units assisted will be located within Brevard County. The County may designate areas to implement this strategy or consider areas proposed by developers.

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| F. Rental-Rehabilitation/Land Acquisition/New Construction | Code 14,20,21 |
|---|--------------------------|

a. Summary of Strategy:

This program is designed to assist non-profit and for-profit developers with SHIP funds for new construction or rehabilitation of rental housing projects that will increase the supply or preserve existing units for extremely-low, very-low, and low income households.

Funds may be used for construction, site acquisition, site development, or demolition associated with the reconstruction of affordable rental units, relocation costs, payment of impact fees, infrastructure expenses typically paid by the developer, construction soft costs, such as engineering and appraisals if directly related to housing construction or rehabilitation.



SHIP funds may also be used to finance or “buy-down”, mortgages and costs associated with rental units for the purpose of making rents affordable for income eligible households.

Rental housing may also include units for transitional and permanent rental housing intended to serve special needs populations. All assisted units will be monitored annually for tenant eligibility and unit affordability for a minimum of 15 years.

b. Fiscal Years Covered:

2018-2019, 2019-2020, and 2020-2021

c. Income Categories to be served:

Extremely Low, Very Low and Low

d. Maximum award:

Maximum SHIP award per unit shall not exceed the Basic Statutory Mortgage Limits as published by HUD

e. Terms:

1. Repayment loan/deferred loan/grant:

Reconstruction assistance will be provided in the form of a deferred loan secured by a recorded Mortgage and Note.

2. Interest Rate:

0%

3. Years in loan term:

A minimum of 15 years

4. Forgiveness:

Loan will be forgiven at the end of the affordability period.

5. Repayment:

Not required as long as the loan is in good standing.

6. Default:

In the event the sponsor ceases to use the property to house eligible households, or if the sponsor offers the property for sale prior to the end of the lien period, the sponsor must offer the right of first refusal to the County or an eligible sponsor for purchase at the current market value (minus the initial SHIP award) for continued occupancy by eligible households. In the event no such sponsor is available and the County declines the right of first refusal offer to continue the project, any and all funds remaining in the lien are due and payable to the Brevard County Housing and Human Services Department at the time of closing the sale of the property.

All eligible loans repaid to the County shall be considered program income. All eligible loans or repaid to the County shall be considered program income.

The County reserves the right to foreclose if payment is not made.

f. **Recipient Selection Criteria:**

Applications from potential tenants will be reviewed for SHIP eligibility by the program sponsors and will be approved on a first-qualified, first-served basis.

g. **Sponsor/Developer Selection Criteria:**

Applications from potential sponsors will be solicited through a competitive request for proposal process. The criteria for selection will include, but not be limited to, the following:

1. Capacity/experience of the applicant.
2. Ability to proceed.
3. Proof of site control.
4. Amount of other funds leveraged for the project.
5. Financial strength of the applicant.
6. Ability of the applicant to complete the project by the deadlines established by the SHIP rule and statute.
7. Preference will be given to applicant that employs personnel from Welfare Transition Program and Workforce Development Initiatives programs.

i. **Additional Information:**

All units assisted will be located within Brevard County. The County may designate areas to implement this strategy or may consider areas proposed by developers. Funds may be used

as part of the local contribution for participation in programs such as projects selected by the State of Florida low income tax credit program and the State Department Incentive loan SAIL Program, dependent upon availability of funding.

Rental Housing may also include units for transitional and permanent rental housing intended to serve special needs populations. The County shall conduct an annual monitoring visit to verify the project is in compliance with SHIP affordable housing rules and requirements.

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|---|-------------------|
| G. Homeownership/Rental-Disaster Repair/Mitigation | Code 5, 16 |
|---|-------------------|

a. Summary of the Strategy:

The Disaster Strategy provides assistance to households following a natural 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 natural disaster using any funds that have not yet been encumbered or additional disaster funds issued by Florida Housing Finance Corporation. SHIP 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 the duration of Florida Office of the Governor Executive Order, for eligible recipients that have been displaced from their homes due to disaster; (g) assistance with the activation or start-up of the Brevard County Long Term Recovery Program; and (h) other activities as proposed by the Brevard County Board of County Commissioners and approved by the Florida Housing Finance Corporation that are in compliance with SHIP statutes and any emergency declarations that may be in effect at the time.

b. Fiscal Years Covered:

2015-2016, 2016-2017 and 2017-2018

c. Income Categories to be served:

Very low, Low, and Moderate

d. Maximum Award:

The maximum award is \$15,000 per unit.

e. **Terms:**

1. Repayment loan/deferred loan/grant:

Assistance up to \$5,000 will be provided in the form of a grant. Assistance over \$5,001 will be subject to recapture terms as described in strategies for Repair and Rehabilitation.

2. Interest Rate:

0%, Grant N/A

3. Years in Loan Term:

5 Years, Grant N/A

4. Forgiveness:

The loan will be forgiven on a prorated basis annually over the term of the loan. On each anniversary date of the execution of the mortgage, the value of one year's payment will be deducted from the original balance owed.

5. Repayment:

Not required as long as the loan is in good standing.

6. Default:

Default of the Housing Client: Upon default of the Housing Client, the County may, at its option, declare all sums secured by the Mortgage to be immediately due and payable. Otherwise Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. If no refinance, sale, or transfer of the property occurs at the time of default of the Owner, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place at the date of default. After 90 days, if the lien is not paid in full, interest shall accrue at 5% per annum. The lien will continue against the property until repayment plus interest is satisfied. All eligible funds repaid to the County shall be considered program income. All defaulted loans repaid to the County will be considered recaptured funds. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

Death of the Housing Client: Housing Client as used herein shall mean the Borrower. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or

family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).

f. Recipient Selection Criteria:

Funds are made available based on a first qualified, first served basis. Priority shall be given to persons who have special housing needs and individuals or household that qualify as Elderly as defined in 420.503, F.S.

- Applicant(s) requesting work on a housing unit must own and occupy the property as principal residence.
- Eligibility for assistance shall be done in an expedited manner and may include alternate forms of documentation, such as current pay stubs, benefit letters, as well as a Disaster Self Certification of Income Form provided for use by Florida Housing Finance Corporation.

g. Sponsor Selection Criteria:

Not Applicable.

h. Additional Information:

Insurance Deductible Assistance will be up to \$4,000. Applicant must provide documentation of income eligibility, as well as, documentation that they have filed with FEMA, SBA, and the local Long Term Recovery Program. Eligibility may be performed on an expedited basis when time is of the essence and may include alternative forms of documentation, e.g. current pay stubs, benefit letters, oral verifications, or self-declarations. The applicant must provide documentation for the need of the deductible assistance through receipts and invoices accounting for the amount received from their insurance. Insurance funds must be spent first. All of the work must be verified by visual inspections by the County's Housing and Human Services Department before payment is made. Disaster Repair Assistance will follow the regular SHIP Repair procedures on bidding and inspections.

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.

Provide a description of the procedures used to implement this strategy:



Brevard County maintains a One-Stop Permitting Process for affordable housing. This process coordinates Planning & Zoning, Permitting & Enforcement, Environmental Health, Roadways & Landscaping, and Building permitting reviews in one application. The Housing & Human Services Department will review and confirm affordable housing construction activities and affix a stamp to the permit application that identifies that the applicant applying for permitting is a developer of affordable housing and will receive priority in the processing of their permit requests.

Brevard County Housing & Human Services Staff continue to meet with each of the above departments at scheduled meetings to expedite the permitting process and streamline as much as possible for contractors building affordable housing.

The Housing & Human Services Staff acts as a liaison between the contractor and County departments to ensure that when issues arise they are dealt with in a timely manner.

B. Ongoing Process Review Process

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

Provide a description of the procedures used to implement this strategy:

An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption and assign staff from the Planning & Zoning Office, or staff from departments responsible for regulation, to attend Affordable Housing Council meetings.

The Brevard County Affordable Housing Council serves as Brevard County's mechanism for review of policies, procedures, ordinances, regulations, and plan provisions that increase the cost of housing. The Affordable Housing Council will weigh the cost impact against the quality of life aspects of the regulations' intent and purpose, and instruct Staff to report those findings and make recommendations to the Board of County Commissioners where appropriate.

C. Density Flexibility

Allow greater flexibility increasing density levels to encourage the creation of new affordable housing within the County through use of Brevard County Ordinance 07-18, consistent with the Brevard County Comprehensive Plan.

D. Parking and Setbacks

This incentive strategy will allow flexible parking and setbacks through Brevard County Ordinance #07-18.

E. Flexible Lot Configuration

This strategy will allow flexible lot configuration through Brevard County Ordinance #07-18.

F. **Street Requirements**

This strategy will allow for the review of projects that request street requirement modifications through Brevard County Ordinance #07-18.

G. **Land Bank Inventory**

Housing and Humans Services Department will monitor and update the land inventory per Brevard County Ordinance #07-18.

H. **Support of Development near Transportation Hubs and Major Employment Centers and Mixed Use Developments**

Brevard County will support development near transportation hubs and major employment centers and a mixed use development consistent with the Brevard County Comprehensive Plan and the location matrix in the Affordable Housing Ordinance #07-18.

I. **Impact Fee Waivers or Modifications**

Continue the process established in Ordinance #06-044.

J. **Reservation of County Infrastructure**

Continue ongoing concurrency management system which ensures that public facilities and services needed to support development.

K. **Accessory Dwelling Units**

Review the County's code definition of accessory structures and uses.

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. Brevard County Purchase Assistance Program Policy.
- I. Repair, Rehabilitation and Reconstruction Housing Program Policy.

Administration Budget

| Fiscal Year 2018-2019 | |
|-------------------------------|--------------------|
| Salaries and Benefits | \$46,300.00 |
| Office Supplies and Equipment | |
| Travel Perdiem Workshops, etc | \$251.00 |
| Rentals | |
| Printing | |
| Other Contracted Services | |
| Other Current Charges | |
| Repair & Maintenance | |
| Insurance | |
| Advertising | \$251.00 |
| Books and Memberships | |
| Total | \$46,802.00 |

| Fiscal Year 2019-2020 | |
|-------------------------------|--------------------|
| Salaries and Benefits | \$46,300.00 |
| Office Supplies and Equipment | |
| Travel Perdiem Workshops, etc | \$251.00 |
| Rentals | |
| Printing | |
| Other Contracted Services | |
| Other Current Charges | |
| Repair & Maintenance | |
| Insurance | |
| Advertising | \$251.00 |
| Books and Memberships | |
| Total | \$46,802.00 |

| Fiscal Year 2020-2021 | |
|-------------------------------|-------------|
| Salaries and Benefits | \$46,300.00 |
| Office Supplies and Equipment | |
| Travel Perdiem Workshops, etc | \$251.00 |
| Rentals | |

ADMINISTRATIVE BUDGET FOR EACH FISCAL YEAR

Exhibit A

| | |
|---------------------------|--------------------|
| Printing | |
| Other Contracted Services | |
| Other Current Charges | |
| Repair & Maintenance | |
| Insurance | |
| Advertising | \$251.00 |
| Books and Memberships | |
| Total | \$46,802.00 |

**Exhibit B
Timeline for SHIP Expenditures**

Brevard County Board of County Commissioners affirms that funds allocated for these fiscal years will meet the following deadlines:

| Fiscal Year | Encumbered | Expended | 1 st Year AR | 2 nd Year AR | Closeout AR |
|-------------|------------|-----------|-------------------------|-------------------------|-------------|
| 2018-2019 | 6/30/2020 | 6/30/2021 | 9/15/2019 | 9/15/2020 | 9/15/2021 |
| 2019-2020 | 6/30/2021 | 6/30/2022 | 9/15/2020 | 9/15/2021 | 9/15/2022 |
| 2020-2021 | 6/30/2022 | 6/30/2023 | 9/15/2021 | 9/15/2022 | 9/15/2023 |

If funds allocated for these fiscal years is not anticipated to meet any of the deadlines in the table above, Florida Housing Finance Corporation will be notified according to the following chart:

| Fiscal Year | Funds Not Encumbered | Funds Not Expended | 1 st Year AR Not Submitted | 2 nd Year AR Not Submitted | Closeout AR Not Submitted |
|-------------|----------------------|--------------------|---------------------------------------|---------------------------------------|---------------------------|
| 2018-2019 | 3/30/2020 | 3/30/2021 | 6/15/2019 | 6/15/2020 | 6/15/2021 |
| 2019-2020 | 3/30/2021 | 3/30/2022 | 6/15/2020 | 6/15/2021 | 6/15/2022 |
| 2020-2021 | 3/30/2022 | 3/30/2023 | 6/15/2021 | 6/15/2022 | 6/15/2023 |

Requests for Expenditure Extensions (close-out year ONLY) must be received by FHFC by June 15 of the year in which funds are required to be expended. The extension request shall be emailed to robert.dearduff@floridahousing.org and terry.auringer@floridahousing.org, and include:

1. A statement that "(city/county) requests an extension to the expenditure deadline for fiscal year _____.
2. The amount of funds that is not expended.
3. The amount of funds that is not encumbered or has been recaptured.
4. A detailed plan of how/when the money will be expended.

Note: an extension to the expenditure deadline (June 30) does not relieve the requirement to submit (September 15) the annual report online detailing all funds that have been expended. Please email terry.auringer@floridahousing.org when you are ready to "submit" the AR.

Other Key Deadlines:

AHAC reports are due for each local government the same year as the local government's LHAP being submitted. Local governments receiving the minimum or less allocation are not required to report.

FLORIDA HOUSING FINANCE CORPORATION

HOUSING DELIVERY GOALS CHART

2018-2019

LHAP Exhibit C

Please check applicable box

New Plan:

Amendment:

Fiscal Yr. Closeout:

| Name of Local Government: | | Brevard County | | | | | | Allocation: | | \$468,029.00 | | | | |
|---|--------------------------------------|---|-----------|-------|-----------|-------|-----------|-----------------------------|--------------|--------------------------------------|--------------|-------------|-------|--|
| HOME OWNERSHIP STRATEGIES (strategy title must be same as the title used in plan text.) | | VLI | Max. SHIP | LI | Max. SHIP | MI | Max. SHIP | New Construction | Rehab/Repair | Without Construction | Total | Total | Total | |
| Code | Units | Units | Award | Units | Award | Units | Award | SHIP Dollars | SHIP Dollars | SHIP Dollars | SHIP Dollars | Percentage | Units | |
| 1,2 | Purchase Assistance | | \$25,000 | | \$15,000 | | \$8,000 | | | | \$0.00 | 0.00% | 0 | |
| 3 | Owner Occupied Rehabilitation | 1 | \$70,000 | 1 | \$70,000 | 1 | \$70,000 | | \$176,226.00 | | \$176,226.00 | 37.65% | 3 | |
| 4 | Demolition/Reconstruction | 1 | \$145,000 | | | | | \$145,000.00 | | | \$145,000.00 | 30.98% | 1 | |
| 6 | Emergency Repair | 1 | \$50,000 | 1 | \$50,000 | | \$50,000 | | \$100,000.00 | | \$100,000.00 | 21.37% | 2 | |
| 4,8,9,10 | Demo/Recon/Impact/Acqui/Rehab/NC | N/A | \$36,000 | N/A | \$36,000 | N/A | \$36,000 | N/A | N/A | N/A | \$0.00 | 0.00% | 0 | |
| 5 | Disaster Repair/Mitigation | N/A | \$15,000 | N/A | \$15,000 | N/A | \$15,000 | N/A | N/A | N/A | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | Subtotal 1 (Home Ownership) | 3 | | 2 | | 1 | | \$145,000.00 | \$276,226.00 | \$0.00 | \$421,226.00 | 90.00% | 6 | |
| RENTAL STRATEGIES | | VLI | Max. SHIP | LI | Max. SHIP | MI | Max. SHIP | New Construction | Rehab/Repair | Without Construction | Total | Total | Total | |
| | | Units | Award | Units | Award | Units | Award | SHIP Dollars | SHIP Dollars | SHIP Dollars | SHIP Dollars | Percentage | Units | |
| 14,20,21 | Rehab/Land Acq./New Constr | | N/A | | N/A | | N/A | | | | \$0.00 | 0.00% | 0 | |
| 16 | Disaster Repair/Mitigation | N/A | \$15,000 | N/A | \$15,000 | N/A | \$15,000 | N/A | N/A | N/A | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | Subtotal 2 (Non-Home Ownership) | 0 | | 0 | | 0 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00% | 0 | |
| | Administration Fees | | | | | | | | | | \$46,803.00 | 10.00% | | |
| | Admin. From Program Income | | | | | | | | | | | 0.00% | | |
| | Home Ownership Counseling | | 2018-2019 | | | | | | | | | 0.00% | | |
| | GRAND TOTAL | | | | | | | | | | | | | |
| | Add Subtotals 1 & 2, plus all Admin. | 3 | | 2 | | 1 | | \$145,000.00 | \$276,226.00 | \$0.00 | \$468,029.00 | 100.00% | 6 | |
| | Percentage Construction/Rehab | Calculate Constr./Rehab Percent. by adding Grand Total Columns A&B, then divide by Annual Allocation Amt. | | | | | | | | | | 90% | | |
| | Maximum Allowable | | | | | | | | | | | | | |
| | Purchase Price: | | | | | | | | New | Existing | | | | |
| | Allocation Breakdown | Amount | | % | | | | Projected Program Income: | \$200,000.00 | Max Amount Program Income For Admin: | | \$10,000.00 | | |
| | Very-Low Income | \$ 285,000.00 | | 56.6% | | | | Projected Recaptured Funds: | | | | | | |
| | Low Income | \$ 120,000.00 | | 25.6% | | | | Distribution: | \$468,029.00 | | | | | |
| | Moderate Income | \$ 70,000.00 | | 15.0% | | | | Total Available Funds: | \$668,029.00 | | | | | |
| | TOTAL | | | 97.2% | | | | | | | | | | |

FLORIDA HOUSING FINANCE CORPORATION

HOUSING DELIVERY GOALS CHART

2019-2020

LHAP Exhibit C

Please check applicable box

New Plan: X

Amendment:

Fiscal Yr. Closeout:

Name of Local Government: Bravard County

Estimated Funds: \$468,029.00

| HOME OWNERSHIP | | VLI | Max. SHIP | LI | Max. SHIP | MI | Max. SHIP | A | B | C | D | E | F | |
|----------------|--|---|-----------|-------|-----------|-------|-----------|-------------------------------|---------------------------|-----------------------------------|--------------------|------------------|-------------|--|
| Code | STRATEGIES (strategy title must be same as the title used in plan text.) | Units | Award | Units | Award | Units | Award | New Construction SHIP Dollars | Rehab/Repair SHIP Dollars | without Construction SHIP Dollars | Total SHIP Dollars | Total Percentage | Total Units | |
| 1,2 | Purchase Assistance | | \$25,000 | | \$15,000 | | \$8,000 | | | | \$0.00 | 0.00% | 0 | |
| 3 | Owner Occupied Rehabilitation | 1 | \$70,000 | 1 | \$70,000 | 1 | \$70,000 | | \$176,226.00 | | \$176,226.00 | 37.65% | 3 | |
| 4 | Demolition/Reconstruction | 1 | \$145,000 | | | | | \$145,000.00 | | | \$145,000.00 | 30.98% | 1 | |
| 6 | Emergency Repair | 1 | \$50,000 | 1 | \$50,000 | | \$50,000 | | \$100,000.00 | | \$100,000.00 | 21.37% | 2 | |
| 4,8,9,10 | Demo/Recon/Impact/Acqui/Rehab/NC | N/A | \$36,000 | N/A | \$36,000 | N/A | \$36,000 | N/A | N/A | N/A | \$0.00 | 0.00% | 0 | |
| 5 | Disaster Repair/Mitigation | N/A | \$15,000 | N/A | \$15,000 | N/A | \$15,000 | N/A | N/A | N/A | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | Subtotal 1 (Home Ownership) | 3 | | 2 | | 1 | | \$145,000.00 | \$276,226.00 | \$0.00 | \$421,226.00 | 90.00% | 6 | |
| RENTAL | | VLI | Max. SHIP | LI | Max. SHIP | MI | Max. SHIP | A | B | C | D | E | F | |
| Code | STRATEGIES | Units | Award | Units | Award | Units | Award | New Construction SHIP Dollars | Rehab/Repair SHIP Dollars | without Construction SHIP Dollars | Total SHIP Dollars | Total Percentage | Total Units | |
| 14,20,21 | Rehab/Land Acq./New Constr | | N/A | | N/A | | N/A | | | | \$0.00 | 0.00% | 0 | |
| 16 | Disaster Repair/Mitigation | N/A | \$15,000 | N/A | \$15,000 | N/A | \$15,000 | N/A | N/A | N/A | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | | | | | | | | | | | \$0.00 | 0.00% | 0 | |
| | Subtotal 2 (Non-Home Ownership) | 0 | | 0 | | 0 | | | | \$0.00 | \$0.00 | 0.00% | 0 | |
| | Administration Fees | | | | | | | | | | \$46,803.00 | 10.00% | | |
| | Admin. From Program Income | | | | | | | | | | | 0.00% | | |
| | Home Ownership Counseling | | | | | | | | | | | 0.00% | | |
| | GRAND TOTAL | | | | | | | | | | | | | |
| | Add Subtotals 1 & 2, plus all Admin. & | 3 | | 2 | | 1 | | \$145,000.00 | \$276,226.00 | \$0.00 | \$468,029.00 | 100.00% | 6 | |
| | Percentage Construction/Rehab | Calculate Constr./Rehab Percent. by adding Grand Total Columns A&B, then divide by Annual Allocation Amt. | | | | | | | | | | 90% | | |
| | Maximum Allowable | | | | | | | | | | | | | |
| | Purchase Price: | | | | | | | | New | Existing | | | | |
| | Allocation Breakdown | Amount | | % | | | | Projected Program Income: | \$200,000.00 | Max Amount Program Income For Adm | | | \$10,000.00 | |
| | Very-Low Income | \$ 265,000.00 | | 56.6% | | | | Projected Recaptured Funds: | | | | | | |
| | Low Income | \$ 120,000.00 | | 25.6% | | | | Distribution: | \$468,029.00 | | | | | |
| | Moderate Income | \$ 70,000.00 | | 15.0% | | | | Total Available Funds: | \$668,029.00 | | | | | |
| | TOTAL | | | 97.2% | | | | | | | | | | |

HOUSING & HUMAN SERVICES DEPARTMENTAL POLICY

| | | |
|--|--------------------|--|
| | NUMBER: | HS-028 (SHIP) |
| TITLE: | CANCELS: | January 11, 2011 |
| Repair, Rehabilitation, and Reconstruction Housing Program Policy | APPROVED: | April 25, 2017 |
| | ORIGINATOR: | Housing & Human Services Department |
| | REVIEW: | As needed |

I. OBJECTIVE

This policy is designed to be utilized by the Housing and Human Services Department in implementation of the Repair, Rehabilitation and Reconstruction Housing Program as funded by the State Housing Initiatives Partnership Program administered by the Florida Housing Finance Corporation.

The intent of this policy is to clearly identify the specifications under which staff will implement programs that provide rehabilitation and repair assistance to owner occupied households at or below 80% of median income in eligible areas of the County, and reconstruction housing when it has been determined that it is not economically feasible to rehabilitate the unit. The Program will be implemented in partnership with private funding whenever available. The policy identifies authority levels for approval and eligibility restrictions, which exceed federal and state requirements.

II. DEFINITIONS & REFERENCES

- A. Section 420.907 et seq. Florida Statutes, State Housing Initiatives Partnership Act.
- B. Administrative Rule or Emergency Rule (as determined by state, county or federal declaration) of the Florida Housing Finance Corporation, 67-37 et seq., State Housing Initiatives Partnership Program.
- C. **Affordable Housing Advisory Council:** - Eleven member advisory board appointed by the Board of County Commissioners (BOCC) according to Florida Statute 163 to oversee Brevard County's affordable housing programs and to make recommendations to the BOCC on the allocation of housing program funds.
- D. **Agreement:** Agreement refers to the Housing Assistance Agreement.
- E. **Appeal Procedure:** Established procedure by which an applicant or client may make a complaint or appeal a decision made by the Housing and Human Services Department. HS-006

- F. Applicant/Borrower/Housing Client/Recipient:** A person or household who submits a signed and completed Housing and Human Services Department application for assistance. Applicant, Borrower, Housing Client and Recipient are used interchangeably in this document.
- G. Assets:** Defined by Section 8 regulations, 24 CFR Part 5 Subpart F 5.603(b). Actual or "imputed" income from assets is included in projected annual income.
- H Consortium Member:** Brevard County and the incorporated cities of Cocoa, Titusville, Melbourne, and Palm Bay.
- I Contractor:** State Licensed contractor who has met County and Department requirements to perform work under approved County programs, and has not been barred or suspended from performing federally financed work.
- J. Default:** The occurrence of any of the following events:
1. Nonperformance by the Borrower of any covenant, agreement, term or condition of the Mortgage, or of the Note, or of any other agreement made by the Borrower with the Lender in connection with such indebtedness, after the Borrower has been given due notice, as described hereafter, by the Lender of such nonperformance;
 2. Failure of the Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of the Mortgage;
 3. The Lender's discovery of the Borrower's failure in any application of the Borrower to the Lender to disclose any fact deemed by the Lender to be material, or the making therein, or in any of the agreements entered into by the Borrower with the Lender (including, but not limited to, the Note and Mortgage) of any misrepresentation by, on behalf of, or for the benefit of the Borrower; and
 4. If property does not remain the principal residence of the Borrower, or if all or any part of the property or an interest therein is rented, leased, sold or transferred by the Borrower.
- K. Deferred Loan:** A no interest loan to an eligible household which is forgiven without repayment upon satisfaction of all requirements of the Household's agreement and mortgage with Brevard County.
- L. Department:** The Housing and Human Services Department.
- M. Fair Housing:** Requirements for non-discrimination based on race, color, sex, disability, religion, familial status or national origin in accordance with Federal Regulations found at 24 CFR 100-146 and State Law FS 760.
- N. Florida Housing & Finance Corporation:** State Agency created by legislation to assist in providing a range of housing opportunities for Florida Residents.
- O. Foreclosure:** A legal proceeding initiated by a creditor to repossess the collateral for a loan that is in default.
- P. Green Energy Standards:** U.S. Department of Energy – Energy Efficiency and Renewable Building Technologies Program.

- Q. General Property Improvements:** Improvements that are not corrections of health and safety violations, but improvements that brings the property into decent or sanitary condition.
- R. Household:** includes all dwelling occupants to include friends, legal spouse, children and relatives. Co-owners not claiming the applicant dwelling as their primary residence should not be considered part of the household and are not included in determination of eligibility if primary residency can be verified outside of the applicant's household for a period of six months or greater prior to the application.
- S. HUD:** The U. S. Department of Housing and Urban Development.
- T. Income:** Projected annual income established in compliance with SHIP regulations.
- U. Liquid Asset:** Assets in the possession of the household seeking assistance which can readily and promptly be turned into cash. Examples include, but are not limited to: Checking Accounts, Savings Accounts, Certificates of Deposit, Treasury Bonds, Money Market Funds, or Savings Bonds.
- V. Manufactured or Mobile Home:** Manufactured housing is a term applied to any type of factory-built housing; the 1980 amendment of the original 1976 HUD Code, defines "manufactured homes" as mobile homes that are not permanently installed. A factory built housing unit built to meet or exceed the Housing and Urban Development code that came into effect June 15, 1976.
- W. Minimum Property Standards:** Housing that is constructed or rehabilitated with grant funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion, 24 CFR 92.251. The housing must meet accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).
- X. Modular Home:** A factory built housing unit that is certified to meet or exceed the state and local building codes where the home is to be permanently installed. The modular home must have an approved device or seal issued by the Department of Community Affairs specified in Section 553, Part IV, Florida Statues.
- Y. Mortgage & Note:** The County Mortgage and Note signed by a recipient of program services.
- Z. Principal Residence:** Residence utilized as the household's primary residence, as established by eligibility for the State Department of Revenue Property Tax Homestead Exemption. The household may not vacate the unit for more than 120 non-consecutive days in any one calendar year for any reason, other than a hospital or nursing home stay.
- AA. Program:** Repair, Rehabilitation and Reconstruction Housing Program.
- BB. Program Income:** All loans and grants awarded and repaid for eligible activities.
- CC. Recaptured Funds:** All loans and grants awarded and repaid for ineligible activities.
- DD. Reconstruction:** The rebuilding of a house on the same location.

- EE. Re-Inspections:** Re-Inspections (are required when extra/additional inspection trips outside of normal field inspections) are necessary due to the work not being ready for inspection when initially requested by the Contractor, such as, but not limited to, amount of work not consistent with draw request, rejected or unacceptable work due to nonconformance with specifications or substandard quality.
- FF. Rehabilitation:** Rehabilitation is defined as repairs or improvements necessary to make a dwelling conform to the local housing codes and to bring the dwelling to a maintainable condition.
- GG. Repair:** Repair is defined as repairs or improvements, which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.
- HH. Satisfaction of Mortgage:** A document signed by a lender acknowledging that a mortgage has been fully paid and recorded with the County Clerk of Courts to clear the title to the real property owned by the person who paid off or satisfied their debt.
- II. SHIP:** State Housing Initiative Partnership Program administered by the Florida Housing Finance Corporation.
- JJ. Subordination:** The process of placing, ranking, or positioning a mortgage as secondary to the primary mortgages.

III. DIRECTIVES

Program Administration: The Brevard County Housing and Human Services Department shall be responsible for the administration of the Repair, Rehabilitation and Reconstruction Housing Program.

A. Property Eligibility:

1. SHIP Program:

An eligible property is a single family unit, occupied as a principal residence by an eligible household, including the following:

- a. The owner occupied portion of a multi-unit property (e.g., one unit of a duplex).
- b. A condominium or cooperative unit (attached units will not be eligible for reconstruction under this policy.)
- c. A manufactured home or a mobile home constructed after June 1994 and built to the federal Manufactured Home Construction and Safety Standards (HUD Code). The home must be located on land owned by the homeowner and the owner agrees to have the unit removed from the site. As per Florida Statute 920.9075 Section (5) (C), no more than 20% of the Annual SHIP allocation can be spent on manufactured housing.

- d. A modular home approved and meeting local building code.
- e. Properties located within Brevard County not served by a comparable program administered by another Consortium member all exceptions must be approved by the Director.
- f. Property cannot have an after-rehabilitation value (after-rehabilitation value is determined by adding the cost of improvements to the property appraisers value) that exceeds 90% of the average purchase price for the area, as published by Florida Housing Finance Corporation.
- g. An environmental review shall be performed on all properties.
- h. A property that is free of exterior code violations. However, waivers may be granted on a case by case basis by the Department Director.

2. Flood Zone:

If it is determined that the property lies in a flood zone, the owner will be asked to demonstrate that there is flood insurance carried on the property until termination of the lien period.

3. Occupancy Standards:

Occupancy standards shall be consistent with the local codes approved by the Board of County Commissioners and local zoning requirements.

B. Applicant Eligibility:

1. The household of the Eligible Property Owner must have a projected annual income at or below 80% of the median income level adjusted for family size, as determined by an eligibility assessment conducted by the Housing and Human Services Department staff. Additionally, the property owner must:
 - a. Have a fee simple title; or
 - b. Maintain a 99 year leasehold interest; or
 - c. Have ownership or membership in a cooperative; or
 - d. Have a Life Estate; or
 - e. Have other forms of ownership approved by the Brevard County, County Attorney's office, and
 - f. Not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest, and

- g. Have all mortgage payments and property taxes and insurance (only if the property is eligible for insurance) current (i.e. no accumulated late fees due and/or house payments with consistent late fees), and
 - h. Have not received Housing Rehabilitation and/or Repair assistance up to \$50,000 during the last ten (10) years (from the date of mortgage signing).
 - i. Have not received Housing Rehabilitation and/or Reconstruction assistance greater than \$50,000 during the last twenty (20) years (from the date of signing the mortgage).
 - j. In all cases the Department Director reserves the right to waive conditions and approve or deny assistance following review.
- 2. Applicant(s) whose property lies in a municipality that has recently received infrastructure and/or improvements funded by Brevard County are eligible provided that approval is received from the Department Director or his/her designee.
- 3. Applicant(s) must be a homeowner named on a Warranty Deed, Quitclaim Deed, or other recorded document, which demonstrates a valid ownership interest, as determined by the County Attorney's office. The property must be the Applicant's primary residence as determined by the filing of Homestead Exemption with the County Property Appraiser's Office.
- 4. Net liquid assets, after subtracting all expenses, after conversions are considered, are eligible in determining an applicant.
- 5. If more than one individual owns a property, the residence of the co-owner(s) must be verified, and the following conditions apply:
 - a. The co-owner(s) income must be included in the eligibility determination if the co-owner(s) resides in the household.
 - b. The co-owner's income is not counted if he/she is a spouse or former spouse who has documented another residence; however, the spouse or former spouse must sign the agreement and lien with the County.
 - c. The co-owner's income is not counted if he/she is not a spouse, and has documented his/her residence at another location; he/she must sign the Agreement and lien with the County.
- 6. To complete determination of applicant eligibility, the program staff will request a title search of the proposed property to determine ownership interest and eligibility of the property.
- 7. A review is conducted to ensure that County administered funds are utilized in a manner that ensures that financial accountability standards are met. An Applicant whose property has mortgage liens recorded against it which in total are in excess of the Property Appraiser's assessment of the property for the most recent assessment year shall be restricted to assistance of no more than \$35,000, to address safety, health, and code issues.

8. If an Applicant is determined to have liens and judgments against the property for which assistance is requested, guidance, counseling, and/or referral to remove these impediments will be offered. Applicants are not eligible until all impediments have been removed.
9. All persons living in the household at the time of application shall be included when computing family size.

10. Ineligible Applicants

- a. Applicants whose property lies in a municipality that administers its own rehabilitation and repair program, will not be accepted. These homeowners will be referred to the appropriate office within that municipality.
- b. Applicants who are scheduled to receive assistance with other housing assistance programs, or have demonstrated their intention to sell or transfer their property within the next year, or have a tax lien or other federal, state, or county government lien on their property.
- c. Applicants that are over-income (if a household is disqualified due to being over-income, the disqualification period will be 6 months from day of notice. At that time, the applicant/household may re-apply when funding becomes available).
- e. Applicants who are determined to be ineligible, or who decline assistance through the Program, and at a later date wish to re-apply, must wait at least six months before re-applying or when the Program is open to new applicants, whichever is later.
- f. Applicants denied assistance will be notified of the Department Approved Appeal Policy (HS-006).
- g. Applicants determined to be ineligible due to falsification or misrepresentation of application information in order to obtain assistance will be denied assistance for a minimum of two years.
- h. If a previously assisted client or household defaults without repayment, that client or household will not be eligible to receive further repair assistance.
- i. Applicants who fail to provide required documents within twenty-one (21) business days from date requested by the Housing Staff may be denied due to lack of response. Approval for an extension may be granted on a case by case basis from the Department Director or designee.
- j. Applicants with reverse mortgages or those properties owned by a trust.

- k. Applicants whose liquid assets exceed the current maximum assistance allowed for a reconstruction home as defined by the current Brevard County Reconstruction Housing Policy.

C. Marketing:

1. Brevard County will take affirmative marketing steps to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area. A wide range marketing strategy will be implemented to ensure that eligible persons have a reasonable opportunity to be informed about the program opportunities being carried out by the Brevard County Housing and Human Services Department.
2. On an annual basis, the County will review its marketing efforts to assess strategy effectiveness. After each review of the success of the County's marketing actions, the County shall make adjustments to its marketing strategy as determined necessary. Additionally the County will affirmative further fair housing.

D. Waiting List, Applicant Intake and Ranking:

The intent of this Program is to provide assistance to low income households who are living in substandard and unsafe dwellings, with special preference given to the elderly, disabled, and households with children under the age of five (5). The process that clients are identified, certified and finally assisted in the Program is outlined in the following steps:

1. Waiting List: The Department establishes and maintains a Waiting List when funds are available. A preliminary eligibility screening is initiated when an applicant contacts the Department and requests housing rehab/repair assistance. If in this preliminary process the household appears to be eligible, the applicant is placed on the Waiting List in the order in which the request is made (i.e., by date of contact).

Applicants are removed from the list when:

- a. they are determined, by the housing counselor, to be eligible to participate in the Program and their file is assigned to a housing inspector; or,
- b. they are determined by Department staff to be ineligible to participate in the Program.

The Waiting List will be closed to new applicants when the estimated costs for repair; rehabilitation or reconstruction for approved applicants exceeds 140 percent of that year's funding allocation. In the event the Department closes the Waiting List, it will re-open when new funding is available, at the Department's discretion.

Note: The Department reserves the right to adjust the Waiting List to meet State required Set-Asides and expenditure requirements.

2. Applicant Intake: When funds are available, households are contacted in order from the oldest date to determine whether they are still interested in participating in the Program. If they are, the Department will send an invitation letter and forms to the

applicant with a “reply by” date 21 business days from the date of the letter, to submit requested documentation. The application will be considered incomplete until all documentation necessary to determine a household’s eligibility has been received. Among other criteria, Department staff will determine whether the household:

- a. lives in a municipality that is eligible to receive County funds;
 - b. has owned their home for at least two years;
 - c. does not have a reverse mortgage;
 - d. appears to meet income eligibility guidelines. Additional criteria are outlined in III. A and III. B of this Policy; and,
 - e. failure to return all requested documents and forms will result in a denial of applicant, unless an extension is requested and approved within the 21 business days from the date of the initial letter.
3. Wait List Ranking: Once the application is complete, it will be forwarded to the County’s Housing Inspection team for a preliminary property inspection. The primary purpose of this inspection is to determine whether there are life threatening conditions at the property. This is also the first step in the ranking of applications. The ranking system is based on:
- a. the condition of the dwelling,
 - b. the composition of the household, and
 - c. the income level of the household.

The ranking score is the total of all points. The household with the highest score will be served first, followed by the next highest score, and so on. In the event that households have identical scores, homes with conditions that have been determined by the County Housing Inspection team to be life threatening will be served first. If scores remain tied, the household with the earliest application receipt date will be served first.

Ranking score potentials are shown below.

- a. Income:
 - i. household income 30% or less of area medium income: 30 points.
 - ii. household income 31% to 50% of area medium income: 20 points.
 - iii. household income 51% to 80% of area medium income: 10 points (this group is not eligible for Restoration assistance).
- b. Household Composition:
 - i. 10 points for each member 62 years of age and older.

ii. 10 points for each household member who is defined as "special needs".

iii. 10 points for each person five (5) years of age or younger.

c. Dwelling: 50 points for dwellings with life threatening conditions.

i. Life Threatening conditions are those requiring immediate corrective action due to occurrences of hazardous conditions that threaten the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection.

E. Waivers:

Contingent on the availability of funds, repairs, rehabilitation and reconstruction housing projects that require immediate corrective action due to occurrences of hazardous conditions that threatens the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection can be approved for immediate assistance by the HHS Director.

F. Structure of Financial Assistance:

1. Property Owners who are determined to be eligible for assistance shall receive financial assistance for the repair, rehabilitation, or reconstruction of their home in accordance with the following schedule:

| INCOME LEVEL ADJUSTED BY FAMILY SIZE | MAXIMUM ASSISTANCE |
|---|--|
| 0%-50% Area Median Income | Repairs up to maximum amount allowable under applicable funding source |
| 51%-80% Area Median Income | Up to \$50,000 in Repairs |

2. Additional conditions that may affect the amount of assistance awarded are:

a. Amount approved in the Brevard County SHIP Local Housing Assistance Plan Housing Goals Chart.

b. The amount of assistance per client shall be inclusive of all hard and soft costs associated with the project. Hard costs are all costs associated with construction. Soft costs will be considered a grant. Soft costs are those cost not associated with construction (i.e. labor distribution, recording fees, storage, lodging, etc.). Property owners must agree to higher lien amounts when unavoidable construction costs result in change orders.

c. Prior to receiving repair assistance, the property owner must provide documentation of ownership in accordance to the following table.

| MINIMUM REQUIRED OWNERSHIPS | ASSISTANCE AMOUNT |
|-----------------------------|---------------------------|
| 2 years | \$0 - \$35,000.00 |
| 5 years | \$35,001.00 - \$55,000.00 |
| 10 years | \$55,000.00 and over |

3. Any Property Owner who cannot provide documentation of ownership for the required minimum period may request a review and determination of eligibility by the Housing and Human Services Department Director or Designee. A Property Owner may receive a determination of eligibility under the following documented conditions: the property was previously owned by person(s) related to the current owner by blood, marriage or adoption, and the combined ownership period meets or exceeds the minimum established above; or the Property Owner can document continuous residency of the property for the required period by a combination of ownership and tenancy, including contract for deed or lease purchase agreements. A request for determination of eligibility may be made for similar heir and title issues.
4. Reconstruction eligible clients with existing mortgages, who do not require reconstruction value repairs will be eligible for up to \$70,000 in assistance.
5. An applicant whose property has mortgage liens recorded against it which in total are in excess of the Property Appraiser's market value assessment of the property for the most recent assessment year shall be restricted to assistance of no more than \$50,000, to address safety, health, and code issues.

G. Agreements and Liens:

1. Agreement: Upon verification of income eligibility, the Eligible Property Owner will be required to participate in a Brevard County approved Home Maintenance and Budgeting training class and sign an agreement that:
 - a. Stipulates restrictions on the transfer or sale of the property
 - b. Includes the amount of eligible assistance
 - c. Identifies the County as a party to the Agreement as the Owner's agent to contract for and carry out the agreed upon repairs and improvements.

Agreements will be executed by the County Manager or his/her Designee for all units receiving \$25,000 or more in assistance, and by the Department Director or designee for all units receiving \$24,999 or less in assistance.

2. Owner-Contractor Agreement: Upon receipt of an approved quote or bid, the property owner will sign an owner-contractor agreement with the awarded contractor which includes the scope of work to be performed.

3. Mortgage: Assistance will be provided in the form of a deferred payment loan. All deferred payment loans will be secured by a mortgage lien recorded against the property. The mortgage shall not incur interest, nor shall payment be required if the property continues to be used as the Principal Residence with no default. Homeowner will also agree to sign a mortgage modification for a higher lien amount should costs go above the originally executed mortgage amount.
4. Death of the Housing Client: Housing Client as used herein shall mean the Borrower. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).
 - a. If an eligible family member wishes to assume the existing mortgage, the family member shall have 180 days to make a written request to the Director of the Housing and Human Services Department to assume all of the obligations specified in the Borrower's mortgage. If a written request to assume the mortgage is not made within 180 days, Brevard County shall declare the Borrower's estate to be in default, and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
 - b. However, if within 180 days an eligible family member submits a written request to the County to assume the mortgage, the family member must demonstrate proof of legal title to the property and meet the current income and assets qualifications of Brevard County.
 - i. If the property does not have to undergo Probate, the family member shall have ninety (90) days to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
 - ii. If the property must undergo Probate, the family member shall have ninety (90) days from the date of acquiring clear title to the property, and have been determined income-eligible by the County, to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
 - c. In the event the County declares a default and ninety (90) days pass without repayment to the County, the following shall occur: (a) the mortgage balance shall be frozen at the balance in place on the date of the Borrower's death; (b) the mortgage balance will cease to depreciate at the annual rate; and, (c) interest

shall accrue at 5% per annum. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

5. Upon completion of project and/or the issuance of a Certification of Occupancy, uninsurable homeowners must secure homeowners and flood (if applicable) insurance. Failure to secure homeowners and flood (if applicable) insurance within sixty (60) business days of completion will result in a default.
6. Default of the Housing Client: Upon default of the Housing Client, the County may, at its option, declare all sums secured by the Mortgage to be immediately due and payable. Otherwise Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. If no refinance, sale, or transfer of the property occurs at the time of default of the Owner, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place at the date of default. After 90 days, if the lien is not paid in full, interest shall accrue at 5% per annum. The lien will continue against the property until repayment plus interest is satisfied. All eligible funds repaid to the County shall be considered program income. All defaulted loans repaid to the County will be considered recaptured funds. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.
7. The County reserves the right to foreclose if the default is not cured.
8. Brevard County's mortgage is not considered satisfied until a Satisfaction of Mortgage is recorded with the Clerk of Courts.
9. The length of the mortgage period is determined by the amount of funding used for repairs. The mortgage amount is depreciated on an annual basis if the Owner continues to reside in the unit in accordance with the terms of the Agreement. On each anniversary date of the execution of the mortgage, the value of one year's payment will be deducted from the balance owed in the following manner:

| Lien Period | Assistance Amount | Annual Depreciation |
|-------------|--|---------------------|
| 5 years | \$0-\$15,000 | 1/5 of loan amount |
| 10 years | \$15,001-\$40,000 | 1/10 of loan amount |
| 15 years | \$40,001- The maximum amount allowable under the applicable funding source | 1/15 of loan amount |
| 20 years | New construction for rental units | 1/20 of loan amount |

10. The deferred mortgage lien is recorded prior to commencement of the construction project.
11. Any post-construction agreements or warranties are between the Homeowner and the Contractor.

12. In order to be approved for reconstruction the property must be free of mortgages or the existing mortgage holder(s) must agree to subordinate its interest to Brevard County Board of County Commissioners.
13. In the event the homeowner is eligible for the maximum amount of assistance and has no existing mortgage, but is determined by inspection to only require rehabilitation, the maximum amount available for rehabilitation shall be \$70,000. With the Department Director's approval, up to an additional \$6,000 may be utilized for construction to address unforeseen safety, health, and code issues.

H. Repairs:

Repairs will be limited to \$50,000

Repairs that are necessary for long term preservation and maintenance of structural integrity are outlined below:

- a. Septic system repairs
- b. HVAC repair/replacement
- c. Repair to broken plumbing lines
- d. Electrical hazard repairs
- e. Water heater repair/replacement
- f. Handicap accessibility installations
- g. Any other situation deemed to be an eligible repair after conducting an inspection, completing a work write-up, and receiving the approval of the Department Director or his/her designee.

I. Rehabilitation:

Rehabilitation will be limited to \$70,000

A rehabilitation loan may only cover the cost of rehabilitation necessary to make a dwelling conform to the local housing codes and to bring the dwelling to a maintainable condition as determined by a Housing and Human Services Department Housing Inspection.

Upon completion, all repairs or improvements provided will meet all state and local codes, ordinances, and requirements. Additionally, all rehabilitation must address health and safety defects immediately, determine useful life cycle of major systems as well as address any lead based paint and accessibility laws and regulations.

1. Eligible rehabilitation activities are as follows:

- a. Existing Code Violations — The correction of existing violations that have been identified by a qualified housing inspector and formalized in an individualized housing report.

- b. Materials - Materials identified and determined necessary in the work-write up or subsequent change orders to complete the necessary repair, rehabilitation, or reconstruction housing.
- c. Incipient Code Violations - An incipient violation exists if, at the time of inspection, there is an element in the dwelling which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the lien period and become a code violation.
- d. Permits and Fees - funds may be used to cover the cost of building permits and related fees required to carry out the proposed work. Since the rehabilitation contract documents will require the contractor to pay them, these costs ordinarily would be included in the contract amount.
- e. Equipment - funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary, and healthy environment. These include such items as heating furnace, water heater, electrical and sanitary fixtures, kitchen stove, refrigerator, cabinets, and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary, or non-functional.
- f. Special Needs - Special alterations or costs related with making the dwelling more convenient or accessible for handicapped persons. All work performance in these units must comply with all applicable codes as well as all Federal and State regulations.
- g. Energy Conservation - All costs associated with weatherization and energy conservation in substantial rehabilitation or reconstruction, as determined by the housing inspector, must comply with U.S. Department of Energy and Renewable Energy Building Technologies Program.
- h. Lead Based Paint - All costs associated with the control of lead-based paint hazards must comply with 24 CFR, Part 570, Section 608.
- i. Furniture Moving and Storage - The cost of storing household furnishings during construction is an eligible expense. The homeowner's role in moving or storing household furnishings during the construction phase of the project will be initially discussed during the signing of the Housing Assistance Agreement and again during the Construction Agreement signing. The County's function is as a funding source. Any liability issues associated with the storage of the Homeowner's property shall be between the Homeowner and the Storage company.
- j. Plans - All Plans identified and determined necessary in the work-write up completed by the assigned Housing and Human Services Department inspector.
- k. Filing Fees and other associated soft costs - i.e. title searches, storage, lodging, insurance, etc.
- l. Environmental requirements - all costs associated with the environmental review and possible mitigation.

J. Reconstruction Housing:

Reconstruction will be limited to \$145,000

- 1.) When reconstruction is recommended, a completed preliminary inspection report, work write-up and cost estimate, with supporting documentation (a checklist or narrative stating deficiencies in the existing structure and photographs) must be submitted to the Construction Supervisor and Department Director for review and approval. If there is concurrence with the determination, written permission to proceed will be provided.
- 2.) The intent of a reconstruction housing activity is to provide assistance to homeowners who otherwise might not be helped due to the prohibitive cost of rehabilitating the existing home. Funding for a reconstruction home, if deemed the most cost-effective solution to the housing deficiencies, shall be offered by the Department.
- 3.) Rehabilitation of a home that has been determined to be in need of reconstruction is prohibited.
- 4.) A reconstruction home does not necessarily have to match the existing home in terms of square footage, number of bedrooms and bathrooms, or other design/amenity consideration. As per 24 CFR Part 982.401(d)(2)—At a minimum, the dwelling unit must have a living room, kitchen area and a bathroom. Also, it must have at least one bedroom for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom.
- 5.) The reconstruction home must provide all permanent residents of the home with safe, decent, and sanitary housing within the terms of State, Federal, and Local Codes.

K. Ineligible Activities:

- 1.) Renovation of detached accessory buildings;
- 2.) Appliances not required by code;
- 3.) Materials, fixtures, equipment, or landscaping of any type or quality that exceeds that customarily used in the local jurisdiction for properties of similar type; and
- 4.) Construction or repair work on swimming pools or pool equipment.

L. Determination of Work:

1. The Department is responsible for determining the rehabilitation work necessary to bring a dwelling into conformance with codes and with the objective of the program.
2. Upon determination of property eligibility, program inspectors will perform historical research of the property and conduct an inspection utilizing Local Housing Code for Existing Housing adopted by the Brevard County Board of County Commissioners, and Department approved housing rehabilitation quality standards.
3. After the research and inspections are complete, the assigned Housing and Human Services Department Inspectors will prepare work specifications and a cost estimate as

indicated in the Housing and Human Services Department Standard Operating Procedures for Construction Project Specialist Inspectors.

4. Rehabilitation Standards must be adequate to extend the useful life of the property for at least the term of the loan, preferably longer, to protect the security of the rehabilitation loan. Department approved rehabilitation standards shall include at a minimum:
 - a. Correction of all violations of the Local Housing Code.
 - b. Addition of energy efficiency improvements that decrease the operating cost of the unit.
 - c. All requirements of reconstruction materials that meet Federal Housing Authority (FHA) Minimum Property Standards and applicable industry standards.
 - d. Replacement of household systems and equipment on a unit for unit basis.
 - e.) All units- pre 1978 will be evaluated for the potential presence of lead-based paint. Owners will be noticed on the hazards of lead based paints. The treatment of defective paint surfaces is required.
 - f.) All units will be evaluated for asbestos, and when present, the Department will follow the mitigation recommendations.
 - g.) Once work is determined, the inspector will consult and advise the Homeowner of the work to be done.

M. Work write-ups and cost estimate:

1. The work write-up and cost estimate is a statement based on the inspection and itemizes all the rehabilitation work to be done on the dwelling. The work write-up is done utilizing the Housing Inspection checklist and includes an estimate of the cost of each item. The cost estimate will be reasonable, reflect prevailing labor and material costs, and reflects a reasonable profit for the contractor and determined by current market standard and funding regulations. The work write-up will be detailed and specific in style. This same write-up without the cost estimate will serve as a part of the specifications for the construction bid documents.

Each item of work and its estimated cost will be identified in the work write-up by entering the cost estimates in a columnar arrangement. A work write-up need not contain details such as color, style, or pattern that have no significant effect on cost. The term "to be selected by owner" may be used appropriately.

2. The assigned inspector will consult with the homeowner on the work write-up and cost estimate. The final work write-up (without costs) will be used by contractors for determining their bids and will be incorporated into the rehabilitation bid documents.
3. The inspector will work with the homeowner to coordinate and schedule a mandatory walk-through for contractors selected by the homeowner to submit bids for work per scope determined under Section M, N.1 and N.2.

N. Construction Bid Document:

1. The Construction Bid Document will provide a clear, detailed understanding of the nature and scope of the work to be done in order to serve as a basis for bids from contractors. The homeowner should have a clear understanding of the nature and scope of the work to be done and any limitations that may exist.
2. Each Construction Bid Document will show the nature and location of the work and the quantity and types of material required.
3. The Construction Bid Document will refer to manufacturers' brand names or association standards to identify quality of material and equipment and may make provision for acceptable substitutes or quality. Brand name requirements may be included in the "General Conditions and Specifications" and indicated by reference in the work write-up.

O. Lead-Based Paint Provisions:

1. The Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X) requires housing rehabilitation programs which receive federal assistance to test for the presence of lead-based paint and take appropriate action to reduce the hazard.
2. The requirements in regards to lead-based paint are dependent on the cost of the rehabilitation. Costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance, and waste handling attributed to lead-based paint hazard reduction are not to be included when determining cost of rehabilitation. However, these costs plus the cost of rehabilitation must not exceed the County's subsidy limit.
3. This program will adhere to state guidelines on lead-based paint where applicable.

P. Contractor Procurement:

1. Homeowner Education: The Owner and/or a family designee are instructed on Contractor solicitation, including: licensing requirements of contractors, checking references of Contractors, and Program requirements of Contractors.
2. Homeowner Involvement:
 - a. All known issues relating to the proposed work will be resolved before proceeding to Contractor procurement.
 - b. The Eligible Property Owner will be provided with a package, which includes a copy of the agreed upon Construction Bid Document, instructions on how to find a Contractor, required insurance, and other contractor requirements. The Eligible Property Owner must obtain a minimum of three sealed bids for the work to be done. The Eligible Property owner will be given a deadline of 30 days from receipt of the Contractor package to obtain the bids. The Program will supply the Eligible Property Owner with a list of Contractors that have required license and insurance. The Eligible Property owner is not required to select a contractor from this list. The list is provided for information purposes. However, all contractors participating in the program must be properly

licensed and insured and must not be on the States debarment and suspension list. Annually, the Department will advertise to allow new contractors the opportunity to be added to the list.

- c. The Eligible Property Owner and the assigned inspector will review all sealed bids together and will submit the lowest bid, along with all other returned bids, to the Program for review. The Program will review the lowest bid for the completeness of the bid, and the cost reasonableness of the proposal. Reasonable bids are expected to be within 10-15% of the in-house estimate. If the estimates are too high, the Program may work with the Eligible Property Owner and Contractor to scale down the scope of work, or the Program may ask the Eligible Property Owner to obtain a lower bid. Should all bids exceed the maximum allowable budget, to include construction costs, lodging, storage, labor distribution, and administrative costs, the Program shall deem the project as ineligible. d. For repairs, when only one trade is needed to do the repair (i.e. roof, HVAC or plumbing) the homeowner can obtain three (3) written quotes directly from licensed and insured trade contractors.
 - e. The awarded contractor's bid submittal will be incorporated into the Owner Contract Agreement documents. The Project Inspector will conduct an agreement signing with the Owner and awarded Contractor. The Project Inspector will read each page of the Owner Contractor Agreement document(s) and have the Owner and Contractor initial each page to indicate their acknowledgement of the contents.
 - f. Contractors consistently performing substandard work or receiving multiple homeowner complaints will be removed from the contractor list for a minimum period of one (1) year.
3. The County's role is that of a lender, authorizing the disbursement of funds after inspection and approval by the Eligible Property Owner and Program staff. The Disbursement Schedule will be included in the Agreement with the Eligible Property Owner.

Q. Suspension and Disqualifications of Contractors:

Contractors may be suspended or disqualified from participation in the programs for any of the following conditions; but not limited to:

1. Self imposed: A Contractor may disqualify them before contract signing for conflicting work contracts, personal hardship or any other reason.
2. Lack of Participation: A Contractor that does not participate or respond to an invitation to bid within a twelve-month (12) cycle may be placed on Inactive Status, will be removed from the Contractors List and must reapply to be reactivated.
3. Insurance Violations: If at any time a Contractor fails to have required insurance, they will be automatically suspended until proof of insurance is provided. The Contractor must have insurance at all times. Any changes in coverage must be reported to Brevard County Housing and Human Services Department and Building Department in writing within five working days of such said change, including renewals.
4. Business License Violations: Any Contractor who has a license suspended, revoked, rejected or inactivated will be automatically disqualified. All license renewals must be current and a copy provided to the Department.

5. Failure to Honor Warranties: Any Contractor who fails to honor a warranty from a previous contract will be barred from future bidding and must reimburse the Brevard County Housing & Human Services Department for the cost of any work performed by another Contractor to correct the warranty work.
6. Debarment: If a contractor does not complete an assigned project they will be disqualified indefinitely for participating in any programs through Brevard County Housing and Human Services Department.
7. Suspension: If a contractor fails to complete two (2) or more projects within the agreed upon timeframe, inclusive of approved time extensions, within a twelve (12) month period, they will be suspended from participating in any programs through the Brevard County Housing and Human Services Department for a minimum period of one (1) year..
8. Willful Misconduct: Willful misconduct by Contractor, employees, or sub-Contractors while engaged in Brevard County Housing and Human Services Department work project will not be tolerated. The Contractor may be disqualified from the program for allowing behavior such as, but is not limited to theft, lewd or lascivious acts, foul language, public intoxication, illegal drug use, smoking within the house, willful destruction of owner's property or abusive behavior towards homeowner or staff.
9. Contractor Negligence: Contractors that do not adhere to building codes, construction industry standards, contract specifications, and/or material requirements will not be paid for applicable work unless approved in advance and in writing by the Owner and the Project Inspector. Continued non-adherence may result is suspension or debarment from the housing program.
10. Payment Delinquency: Failure to pay subcontractors or material suppliers that result in any lien being placed on the Homeowner's property shall be reviewed for the debarment of Contractor from the program.
11. Kickbacks/Price Fixing: Any evidence of kickbacks or price fixing by or between Contractors, its employees, officers, homeowners, agents, partners, representatives or any other affiliates will automatically disqualify the Contractor indefinitely.
12. Brokering of Work: No person or persons, shall broker any Brevard County Housing and Human Services Owner-Contractor Agreement to another licensed or unlicensed Contractor. Anyone caught brokering work, or receiving a brokered contract will be immediately suspended and possibly be disqualified indefinitely from participating in any work program through Brevard County Housing and Human Services Department.

R. Temporary Relocation/Storage:

1. Relocation assistance may be provided by the County to Owners, when determined to be necessary by Program staff, and shall include the cost of storage of personal and household property and shall not exceed actual and reasonable costs. However, packing and moving costs for household furnishings shall be the responsibility and at the expense of the property owner.
2. If the project is delayed due to the fault of the Contractor, the Contractor shall pay the excess relocation assistance cost as liquidated damages.

S. Construction Procedure:

1. Upon approval of the Contractor, the quote will be accepted in writing, a pre-construction meeting with the Owner will be scheduled, and the Contractor will be given notice to proceed with the agreed upon work.
2. Prior to proceeding, the Contractor must provide a complete list of all subcontractors that will be utilized (including all contact information) and a construction schedule.
3. The Contractor is responsible for obtaining all required permits before beginning work and in a timely manner.
4. Time is of the essence in completion of work, and a Contractor may be charged liquidated damages for non-compliance with the approved schedule.
5. Sweat Equity: In order to prevent costly delays and interruptions to the Contractor's schedule, an owner (including relatives and/or friends) may not perform work on the Eligible Property during the construction period. Should an Eligible Owner wish to perform some improvements to the Property that is outside the scope of the work write-up, those improvements must be performed prior to the Contractor solicitation, or after the job has been completed and final payment has been made.
6. Contractors shall not perform any work outside scope approved by project inspector and signed by both owner and contractor. Non-adherence may result in suspension or debarment from the housing program.

T. Inspections, Change Orders and Payments:

1. Inspections: Field Inspections will be made as often as necessary to assure that the work is being completed in accordance with applicable codes and standards and are in line with the terms of the construction contract.
2. Re-inspection Fees: The Department shall impose a fee for each subsequent (second) re-inspection after the first re-inspection for the same violation specifically and continuously noted in each rejection. The fee shall be \$30.00 for the second and each subsequent re-inspection. The fee shall be deducted from the next submitted draw request, documented by change order, with the funds being returned to the applicable grant.
3. Change Orders: All requests for change orders must be approved by the Owner prior to submission to the Program. Change orders must be reviewed for determination of need and must be issues outside of the contractor's control. The Construction Supervisor is authorized to approve change orders that in aggregate do not exceed 10% of the original contract. The Department Director or his/her Designee is authorized to approve change orders up to \$24,999.99.
 - a. The owner may, from time to time, without invalidating the Owner-Contractor Agreement, request changes, additions, alterations, or other modifications in the work to be performed. These change orders shall be limited to health, safety, and code violations that were unforeseen or unknown. Cosmetic items are not an allowable change order.

- b. The Contractor's proposal substantiating a Change Order shall be itemized and segregated by labor and materials for the various components of the change in work (no aggregate labor or material totals will be acceptable). Maximum markup percentage fee shall be a single markup percentage not-to-exceed ten percent (10%) of the net direct cost of labor, materials and installed equipment incorporated into the change or extra work.
- c. For subcontractor work, the subcontractor's cost substantiating a Change Order shall be a written proposal, on the Subcontractor's letterhead, itemizing the work to be performed by a subcontractor. The maximum markup percentage fee allowable to the Contractor supervising the subcontractor's work shall not exceed five percent (5%) of the net of all approved change order work by all subcontractors combined for any particular change order proposal.
- d. For deductive change orders, credit will be applied to the itemized cost included in the work write-up.
- e. Upon request, Contractor shall, within two (2) business days, respond in writing to Owner and Project Inspector with any increase in cost or delay in completion of the work based upon the request.
- f. Owner and Project Inspector shall have three (3) business days to decide whether to order the requested changes to be implemented or to withdraw the request. All approvals are contingent upon funding availability.
- g. The Department Director may authorize work associated with change orders when an unsafe, hazardous condition exists and/or when failure to achieve prompt resolution of the change will result in demobilization of the Contractor, or a significant delay in completing the project, in any amount under \$25,000.00. The Contractor shall provide an estimated cost of the work with the change order. Final cost shall be determined by the actual costs incurred.

4. Progress Payments:

- a. Upon receipt of an invoice from the Contractor, both the owner and Program staff will inspect work for quality and completion. Contractor shall provide a release of lien for completed work by each sub-contractor invoiced in the previous payment request.
- b. Payment will be issued to the Contractor, for such amount as the Department determines to be properly due, or the Department will state in writing, within 5 days, cause for withholding a payment. The Department reserves the right to withhold payment for defective work and/or pay subcontractors directly.
- c. The Department, on the basis of reasonable and verifiable evidence, may withhold from any payment, such amounts as may be necessary for protection of the Owner and Department against loss caused by:
 - i. Defective work not remedied
 - ii. Third party claims filed

- iii. Failure of the Contractor to make payments to Subcontractors
- iv. Failure to pay for material, equipment, or labor
- v. Failure to perform the work in accordance with the Agreement documents; or to provide a construction schedule as required by the Agreement

- 5. Contractors contracted for rehabilitation/reconstruction work in which the County's funding exceeds \$15,000 will have ten percent (10%) of their progress payment requests subject to retainage. The retainage will not be released until all punch list items (a written list of deficiencies that are identified near the end of construction) are completed satisfactorily and all close-out documents have been provided. If a dispute over quality or completion of work is not resolved within thirty (30) days after substantial completion of the project, the retainage will be held until resolution occurs.
- 6. The Brevard County Housing and Human Services Department reserves the right to make payments to Contractor, without the Homeowner's signature/approval, or directly to a subcontractor should a situation be deemed necessary, on a case by case basis with the Director's approval.

U. Final Payments:

Final payment is not made until the Contractor provides Release(s) of Liens, copies of permits, an approved and completed Building permit, and completed copies of the Project Warranty and Close-out form. Any incidence of inadequate performance by a will be documented in accordance with Department and County policy and procedure. A list of incomplete work or work that is unsatisfactory will be provided to the contractor. When these items are completed to the satisfaction of the homeowner and inspector, the contract is complete.

V. Liquidated Damages:

Should the Contractor fail to substantially complete the Work on or before the date stipulated in the Construction Notice to Proceed (or such later date as may result from an extension of time granted by the Owner and the Department), Contractor shall pay, as liquidated damages, additional lodging and storage costs as invoiced, plus the sum of fifty dollars (\$50.00) for each consecutive calendar day the terms of the agreement remain unfulfilled beyond the date allowed by the agreement, which sum is agreed upon as reasonable and proper measure of damages which the Owner and the County will sustain per day by failure of the Contractor to complete within time as stipulated; it being recognized by the Owner, the County, and the Contractor that the injury to the Owner and the County which could result from a failure of the Contractor to complete on schedule is uncertain and cannot be computed exactly. In no way shall cost for liquidated damages be construed as a penalty on the Contractor.

For each consecutive calendar day the work remains incomplete after the date established for completion, the Owner and the County will retain from the compensation otherwise to be paid to the Contractor the sum of Fifty Dollars (\$50.00). This amount is the minimum measure of damages the Owner and the County will sustain as a failure of the Contractor to complete the remedial work, correct deficient work, clean up the project, and other miscellaneous tasks as required to complete all work specified. This amount is in addition to the liquidated damages

prescribed above and represents compensation for additional costs the Owner and the County could incur or suffer caused by on-going construction while occupying the project. Such costs could include, but are not limited to, temporary facilities or structures, reduced employee efficiency, additional operating costs, employee overtime, insurance, etc.

The amount of liquidated damages set forth above shall be assessed cumulatively.

The amount of liquidated damages recovered shall be deducted from the Owner's mortgage assistance.

W. Close-Out:

The homeowner's signature on the Certificate of Completion and Final Inspection indicates acceptance of the rehabilitation work as meeting the terms and conditions of the contract. If the homeowner refuses to sign the final acceptance, the inspector may authorize full payment for those items which are determined to be completed in compliance with the contract and all applicable codes pending the approval of the Department Director or his/her designee. Assistance is completed upon final acceptance by the Owner of completed work and Program authorization for final payment.

X. Conflict of Interest of Public Officials:

No elected or appointed Federal, State, and local official or any other public official or employee who exercises any functions or responsibilities in conjunction with the administration of Brevard County Housing and Human Services Department's Housing and Rehabilitation Program shall have any interest, direct or indirect, in the proceeds or benefits of the rehabilitation program.

Y. Kickbacks and Discounts:

No elected or appointed Federal, State, local official, or any other public official or employee shall receive kickbacks or discounts from either contractors or property owners in return for special favors.

Z. Subordination of County Liens:

1. Only requests that increase the affordability of the housing unit or assist a household with catastrophic medical expenses (for the lien holder or relative of the lien holder) not associated with consumer debt shall be considered.
2. Requests, which include the receipt of cash from the refinancing transaction, will not be considered.
3. A Homeowner requesting a subordination of the County's lien must make this request in writing, indicating the reason for the request. The County Manager or Designee must authorize any subordination requested. Staff will identify for the County Manager or Designee, the current status of the County's equity position, and the equity position if the subordination request is approved.
4. Clients must not be in default of the County mortgage.

5. The Homeowner may be charged any recording fees necessary for the subordination or included as part of their closing costs.

AA. Follow-up:

Annually random checks of homeowner's insurance and flood insurance (if applicable), the Brevard County Property Appraiser's and Tax Collectors websites will be made to ensure that the property remains the primary residence the eligible homeowner.

BB. Request for Determination

When a request is received concerning the status of an existing mortgage lien, whether for purposes of subordination, satisfaction, bankruptcy, or other similar purpose, the Housing and Human Services Department will evaluate the mortgage lien and adopt the current, approved policy. This action may result in amortization of mortgage balance, reduction of lien term, or satisfaction of mortgage.

CC. Satisfaction of Mortgage:

Upon satisfactory completion of the lien terms, a satisfaction of mortgage will be completed and filed with the clerk of the court after review of the County Attorney and approval of the County Manager or Designee.

A Homeowner seeking a satisfaction which includes a short payoff request (less than the total amount owed on the County's lien) must make this request in writing, indicating the reason for the request. Staff will identify for the County Manager or Designee, the current status of the County's equity position and any other applicable grant requirements. If all grant conditions are met and the reason for the request is acceptable, the County will accepted as its payoff, an equal percentage as that being accepted by the First Mortgage Holder (i.e., First Mortgage Holder has a Lien of \$100,000 and accepts 50% or \$50,000; Brevard County has a lien of \$40,000 and accepts 50% or \$20,000).

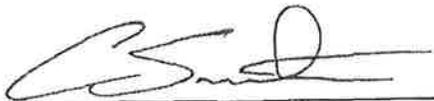
If the First Mortgage Holder is a Federal or State lending entity (i.e., Freddie Mac, Fannie Mae, Federal Housing Authority (FHA), VA Administration, Florida Housing Finance Corporation etc.) and its guidelines set a maximum allowable payoff, The County will accept the maximum allowable payoff for satisfactory completion of the County's lien. In cases where multiple Federal or State Lending entities have an interest in the property, the County will take an equal share of the maximum allowable payoff (i.e., FHA \$6,000; VA \$6,000 and Brevard County \$6,000).

DD. Appeals:

Any Applicant or client wishing to make a complaint or appeal a decision made by the Program shall be given a copy of the Department Approved Appeal Procedure. Applicants denied assistance for reasons not specified in this policy will have the right to appeal to the Affordable Housing Council.

IV. RESERVATION OF AUTHORITY

The authority to issue and/or revise Policies is reserved to the Board of County Commissioner.


Curt Smith, Chairman
Brevard County Board of County Commissioners

Approved by the Board April 25, 2077

ATTEST:

Scott Ellis, Clerk