

Meeting Date
8/5/14



AGENDA	
Section	Consent
Item No.	II.B.1

AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	APPROVAL, RE: AMENDMENT TO REPAIR, REHABILITATION, AND REPLACEMENT HOUSING POLICY
DEPT/OFFICE:	HOUSING AND HUMAN SERVICES DEPARTMENT

Requested Action:
 It is requested that the Board of County Commissioners (BOCC) approve the attached amendment to the Housing and Human Services Department's Repair, Rehabilitation, and Replacement Housing Policy.

Summary Explanation & Background:
 On January 11, 2011 the Board of County Commissioners reviewed and approved updates to the Housing and Human Services Department's Repair, Rehabilitation, and Replacement Housing Policy. These policies are reviewed and updated periodically to ensure that they address local needs and remain consistent with changing Federal and State regulations and guidelines.
 Currently, Brevard County receives State Housing Initiative Partnership (SHIP) funding from the State of Florida's Housing and Finance Corporation (FHFC) and Federal HOME Investment Partnership Program funds from the Department of Housing and Urban Development (HUD) to carry out its housing programs. These agencies require that local policies are in place to provide guidance for implementation of the Department's housing programs in accordance with State and Federal Regulations.
 Attached for the Boards review and approval is an amended Housing and Human Services Department Repair, Rehabilitation, and Replacement Housing Policy, which was reviewed and approved by the Affordable Housing Council and includes the following updates and additions:

- Page 5 – Section III. B (c) – In accordance with Florida Statute 920.9075 Section (5) (C), updated to correspond with changes in SHIP regulations. Rehabilitation and Repair is not allowed for manufactured homes. Replacements are allowed if the home is located on land owned by the homeowner who must agree to the removal. No more than 20% of SHIP funds can be used for manufactured homes.
- Page 5 – Section III. B. (g) – Added a requirement that a property be clear of exterior code violations prior to conducting housing rehabilitation or replacement. Also allows the Department Director to grant waivers if necessary.
- Page 8 – Section III. C. (j) – Added ability to allow denial of applicants that don't meet required deadlines for submitting documents.

(continued on next page)

Clerk to the Board instruction: None
 Exhibits Attached: (1) Strike through copy of policy (2) Clean copy of policy

Contract /Agreement (If attached):		Reviewed by	No		No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Assistant County Manager							Department Director / Extension
Stockton Whitten	Venetta Valdengo							Ian Golden - 52007

- Page 10 – Section III. D (f)- Added language to allow staff to adjust the applicant waiting list to respond to funding limitations.
- Page 10- Section III. D (f)- Added language to allow adjustments to the waiting list to ensure expenditure deadlines are met.
- Page 10- Section III. F Added ability for the HHS Director to approve immediate assistance when hazardous conditions prevail.
- Page 11- Section III. G (1) Structure of Financial Assistance -Deleted Emergency Repairs (is integrated into Minor Repairs). Current federal/state program requirements do not allow for an immediate response to emergency requests.
- Page 14- Section III. I - Deleted Emergency Repairs (is integrated into Minor Repairs). Current federal/state program requirements do not allow for an immediate response to emergency requests.
- Page 21-22- Section III. Z- Added language to strengthen monitoring procedures.
- Page 22 Section III. BB- Updated Section to allow short sales in lieu of foreclosures.

Fiscal Impact: FY -12/13 – There will be no impact to the General Fund

FY – 13/14 – There will be no impact to the General Fund

Contact: Chenita Joiner, Community Development and Resource Manager (633-2007)



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Telephone: (321) 637-2001
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August 6, 2014

MEMORANDUM

TO: Ian Golden, Housing and Human Services Department Director Attn: Chenita Joiner

RE: Item II.B.1, Amendment of Housing and Human Services Department Policy No. HS-008, for Repair, Rehabilitation, and Replacement Housing Program

The Board of County Commissioners, in regular session on August 5, 2014, executed amendment to Housing and Human Services Department Policy No. HS-008, for the Repair, Rehabilitation, and Replacement Housing Program. Enclosed is the original Policy.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge

Tammy Etheridge, Deputy Clerk

/clm

Encl. (1)

cc: Finance
Budget

HOUSING & HUMAN SERVICES DEPARTMENTAL POLICY

TITLE: **Repair, Rehabilitation, and Replacement
Housing Program Policy**

NUMBER: **HS-008**

CANCELS: **January 11, 2011**

APPROVED:

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 Replacement, Rehabilitation and Repair Housing Program as funded by the State Housing Initiatives Partnership Program administered by the Florida Housing Finance Corporation, the HOME Investment Partnership Program administered by the U.S. Department of Housing and Urban Development, and the Community Development Block Grant Program, administered by the U.S. Department of Housing and Urban Development.

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 replacement 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.** Titles I and II of the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625, HOME Investment Partnerships Program.
- D.** 24 CFR Part 92, Final Rule, HOME Investment Partnerships Program.

- E. 24 CFR Part 570, regulations, Community Development Block Grant Program.
- F. 24 CFR Part 39, Energy Conservation and Effectiveness Standards.
- G. **Affordable Housing Advisory Council:** - Eleven member advisory board appointed by the Board of County Commissioners (BOCC) according to Florida Statue 163 to oversee Brevard County's affordable housing programs and to make recommendations to the BOCC on the allocation of housing program funds.
- H. **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-014
- I. **Applicant:** A person or household who submits a signed and completed Housing and Human Services Department application for assistance.
- J. **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.
- K. **Community Development Block Grant (CDBG):** – A federal program administered by the U.S. Department of Housing and Urban Development which provides grant funds to local and state governments to develop viable urban communities by providing decent housing, human services, infrastructure improvements, activities to eliminate slum and blighted conditions and public facilities for low to moderate income residents and their communities.
- L. **Default:** The occurrence of any of the following events:
- a. 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;
 - b. 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;
 - c. 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
 - d. 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.
- M. **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.
- N. **Department:** The Housing and Human Services Department.

- O. 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.
- P. Foreclosure:** A legal proceeding initiated by a creditor to repossess the collateral for a loan that is in default.
- Q. Green Energy Standards:** U.S. Department of Energy – Energy Efficiency and Renewable Building Technologies Program.
- R. General Property Improvements:** Improvements that are not corrections of health and safety violations, but improvements that brings the property into decent or sanitary condition.
- S. Home Consortium:** Brevard County and four of its largest cities (Titusville, Cocoa, Melbourne, and Palm Bay) who have joined together to administer programs funded with HOME Investment Partnership Program Funds.
- T. Home Investment Partnership Program (HOME):** Program administered by the U. S. Department of Housing and Urban Development.
- U. 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.
- V. HUD:** The U. S. Department of Housing and Urban Development.
- W. Income:** Projected annual income established in compliance with HOME and SHIP regulations, specifically established in line with 24 CFR Part 5.609.
- X. 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: certificates of deposit, savings bonds, jewelry, guns, cameras, and equity in boats, recreational vehicles, and campers. 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. Client must provide documentation from fund management institution of identification of these assets as intended retirement enhancement funding.
- Y. 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.
- Z. 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).

- AA. 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 Statutes.
- BB. 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.
- CC. Program:** Repair, Rehabilitation and Replacement Housing Program.
- DD. Program Income:** All loans and grants awarded and repaid for eligible activities.
- EE. Recaptured Funds:** All loans and grants awarded and repaid for ineligible activities.
- FF. Rehabilitation:** Rehabilitation 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.
- GG. Replacement:** The rebuilding of a house on the same location.
- 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.
- KK. Vendor:** State licensed contractor who has met County and Program requirements to perform work under approved County programs, and has not been barred or suspended from performing federally financed work.

III. DIRECTIVES

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

B. Property Eligibility:

1. SHIP, HOME, and CDBG Programs:

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 replacement 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, (exceptions being homeowners whose property lies in a municipality that has recently received infrastructure and/or improvements funded by Brevard County). All exceptions must be approved by the Director or his/her designee. 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.
- f. An environmental review shall be performed on all properties.
- g. A property that is free of exterior code violations. However, waivers may be granted on a case by case basis by the Department Director.
- h. A property that is free of encumbrances and mortgages or in the case of a Replacement Home, one in which the existing mortgage holder(s) agree to subordinate their interest to Brevard County Board of County Commissioners in order to be approved.

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.

C. 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 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 during the last ten years. (In extenuating and unusual circumstances, the homeowner may make application to the Housing and Human Services Department and must receive approval from the Affordable Housing Advisory Council.
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 Applicants primary residence as determine 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. An underwriting 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 state or federal impediments (e.g. liens, judgments) to receiving assistance through these County Programs, guidance, counseling, and/or referral to remove these impediments will be offered. Applicants are not eligible until all impediments have been removed or, alternatively, the level of assistance may be restricted due to the severity of the impediment(s). In these instances, assistance will be limited to emergency repair.
9. All persons living in the household at the time of application shall be included when computing family size.
10. Property owners within 10% of income eligibility guidelines who are over 65 years of age, disabled, or have children under the age of 5, may have the income eligibility waived if approved by the Affordable Housing Advisory Council.
11. Ineligible Applicants
 - a. Any person currently incarcerated, on probation for an offense which would require them to register; or who must register with the Brevard County Sheriff's Office or the Florida Department of Law Enforcement under Florida Statute 775.13 as a person convicted of a felony in any court of this state or any person who has been convicted in a federal court or in any court of a state other than Florida or in any foreign state or country, which crime, if committed in Florida, would be a felony; or any person listed by the Florida Department of Law Enforcement as a sexual predator or a sexual offender as provided for under Florida Statutes 944.606, 944.607, or 944.608. If any household member

is a convicted felon, he or she must have his or her Civil Rights restored or must have been pardoned in order to receive assistance. Those applicants pending disposition will retain their place in the queue and eligibility determination will not be made until final disposition of their case.

- b. 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.
- c. 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; or are determined to not have a viable ownership interest through the underwriting review conducted by Program staff.
- d. 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. These applications will be considered new applicants upon re-application.
- f. Applicants denied assistance will be notified of the Department Approved Appeal Policy (HS-014).
- 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. Homes with an estimated after rehabilitation value above 95% of the HUD median purchase are not eligible for assistance or SHIP Maximum Purchase Price Limit.
- j. Applicants that fail to provide required documents in a timely manner as requested from the Housing Counselor will have their filed denied due to lack of response.

D. 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.

E. Applicant Tracking and Ranking:

1. The intent of this program is to provide assistance to low income households who are living in substandard and unsafe dwelling with a special preference given to the elderly, disabled, and households with children under the age of five (5).
2. The Department's Housing Rehabilitation Program awards rehabilitation, repair, and replacement housing loans based on established criteria. Homeowners are placed on a waiting list in the following manner:
 - a. When the application is complete, income eligible applicants will be assigned to a waiting list. The application is considered incomplete until all statements pertaining to income, benefits, assets, homeowner's insurance, and employment have been received by the department. The homeowner will be notified when the application is complete. The household ranked highest will be served first, the next household second, and so on until available funds are fully expended.
 - b. The ranking system used by the Department considers the size and income of the household, the number of elderly (at least age 62 at time of application) residents in the household, number of disabled residents in the household, dwelling condition and the number of residents in the household who are five (5) years of age and younger. The ranking score is the total of all points. The household with the highest score will be served first, the next household second, and so on until available funds are fully expended.
 - c. Should households have identical financial needs as established by the ranking, the dwelling structure will determine priority. Dwelling condition determined to be life threatening will be the confirming factor after an inspection by the Department's assigned housing inspector. If scores remain tied, the application with the earliest date of application completion will have precedence.
 - d. The Waiting List will be closed when the estimated costs for rehabilitation, repair, or replacement for approved applicants exceed 140 percent of that year's funding allocation. No new applications will be accepted until funding is again available.
 - e. The Waiting List will be maintained by the Department and updated as applications are completed and households ranked. An applicant will be removed from the list when eligibility is determined and repair rehabilitation, or replacement work is assigned to a housing inspector. An applicant who qualifies for emergency repairs will not be removed from the Waiting List unless the emergency repairs satisfy the major code violation which qualified the dwelling for the housing rehabilitation program. At least once a year,

usually in June, applicants on the Waiting List will be contacted to verify if they wish to remain on the list.

- f. The Department reserves the right to adjust the waiting list to meet grant funding requirements related to income set-a-sides and expenditure limitations (i.e., requirements to expend a minimum amount of grant funds on specific income groups within a given year, selection of housing rehabilitation instead of replacement housing projects, etc.)

5. Ranking (Income, household size and composition and condition of dwelling):

a. Income:

- i. If household income is 30% or less area medium income - 30 points.
- ii. If household income is 31% to 50% of area medium income - 20 points.
- iii. If household income is 51% to 80% of area medium income - 10 points (not eligible for replacement assistance).

b. Household Composition:

- i. 10 points for each member 62 years of age and older.
- ii. 10 points for each member with total or partial disability which renders that person unable to work as shown by medical proof or receipt of disability benefits.
- 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 defined as repairs 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.

F. Waivers:

Contingent on the availability of funds, repairs, rehabilitation and replacement 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.

G. Structure of Financial Assistance:

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

INCOME LEVEL ADJUSTED BY FAMILY SIZE	MAXIMUM ASSISTANCE
0%-50% Area Median Income	Minor repairs up to full replacement
51%-80% Area Median Income	Up to \$35,000 in Minor 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, Project delivery costs up to \$5,000 will be considered a grant. Project delivery costs which exceed \$5,000 will become part of the lien. Property owners must agree to higher lien amounts when unavoidable 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. Replacement eligible clients with existing mortgages, who do not require replacement value repairs will be eligible for up to \$50,000 in direct assistance and \$55,000 in total assistance.

H. Agreements and Liens:

1. Agreement: Upon verification of income eligibility, the Eligible Property Owner will be required to sign an agreement which stipulates restrictions on the transfer or resale of the property, includes the amount of assistance for which they eligible; and 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, or a grant. 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. At mortgage signing, all Eligible Property Owners must demonstrate adequate insurance coverage, including flood insurance, if required. Eligible Property Owners are counseled on the importance of maintaining coverage after construction is completed. Applicants who meet all Program requirements, but do not currently carry insurance, may have a year's insurance premium paid by the Program, after certification of inability to afford the insurance and approval by the Department Director or Designee. Homeowner will also agree to sign a mortgage modification for a higher lien amount should costs go above executed mortgage amount. In the case of a death to the owner, interest may accrue if the property has not been properly transferred within 90 days.
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. An eligible spouse or family member may have the option of assuming the existing mortgage. To exercise this option, the spouse or family member shall assume all of the obligations previously assumed by the Borrower and must meet the current income and assets qualifications of Brevard County guidelines. Spouse as used herein shall mean the surviving spouse of the Borrower. Otherwise, Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. After 90 days, if no refinance, sale or transfer of the property occurs, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place on the date of death. 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.
5. 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 loans or grants repaid to the County shall be considered program income. All ineligible loans repaid to the County will be considered recaptured funds.
6. The County reserves the right to foreclose if the default is not cured.

7. Brevard County's mortgage is not considered satisfied until a Satisfaction of Mortgage is recorded with the Clerk of Courts.
8. 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
Grant	0 - \$5,000	Grant
5 years	\$5,001 - \$10,000	1/5 of loan amount
10 years	\$10,001 - \$30,000	1/10 of loan amount
15 years	\$30,001 - \$40,000	1/15 of loan amount
20 years	\$40,001 - \$50,000	1/20 of loan amount
30 years	\$50,001 - to full cost of replacement	1/30 of loan amount

9. The deferred mortgage lien is recorded prior to commencement of the construction project. Mortgage modifications are recorded for any approved changes in the loan amount and may include any additional soft costs associated with the project.
10. Any post-construction agreements or warranties are between the Homeowner and the Vendor.
11. Project delivery will be awarded as a grant and will not affect lien terms unless the amount exceeds \$5,000.
12. The property must be free of encumbrances and mortgages or the existing mortgage holder(s) must agree to subordinate it's interest to Brevard County Board of County Commissioners in order to be approved by the Replacement Housing Program.

I. Minor Repairs:

Repairs necessary for long term preservation and maintenance of structural integrity such as replacement roofs, electrical system and plumbing repairs, air condition replacement and handicap accessibility. Eligible minor repairs include:

- 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 minor repair after conducting an inspection, completing a work write-up, and receiving the approval of the Department Director or his/her designee.

J. Housing Rehabilitation:

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 cost to correct 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 replacement 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 grant 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 Cost Effective Code 24 CFR Part 39 and 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 moving or storing furniture during rehabilitation is an eligible expense. The homeowner's role in moving or storing furniture during the construction phase of the project will be discussed during the pre-bid conference.
- 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.

K. Replacement Housing:

- 1.) When replacement 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 replacement 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 replacement 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 replacement is prohibited.
- 4.) A replacement 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.
- 5.) The replacement home must provide all permanent residents of the home with safe, decent, and sanitary housing within the terms of State, Federal, and Local Codes.

L. Ineligible Rehabilitation 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.) Swimming pools or pool equipment.

M. 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 replacement 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 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.

N. 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 reflect 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 contract documents that the homeowner and contractor will sign. The homeowner should initial each page of the write-up and sign the last page.
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 rehabilitation work only.

O. 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.
 - a. Each Construction Bid Document will show the nature and location of the work and the quantity and types of material required.
 - b. 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.

P. 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.
 - a. 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.
 - b. This program will adhere to state guidelines on lead-based paint where applicable.

Q. Contractor Procurement:

1. Homeowner Education: The Eligible Property Owner, and/or designee representing the Owner, will receive education on Selection. The Owner and/or a family designee are instructed on Contractor solicitation, including: licensing requirements of contractors, checking references of Vendors, and Program requirements of Vendors.
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 vendors 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, secure additional private funding, or the Program may ask the Eligible Property Owner to obtain a lower bid. The Program must receive all revised bids within 15 days of request.
 - d. If the Eligible Property Owner prefers to hire a Contractor other than the low bidder, the Owner may hire the preferred Contractor and pay the additional funds. The additional private funding secured by the owner will be required at mortgage signing prior to the commencement of any construction activity on the home.
 - e. For emergency 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.
 - f. Contractors consistently performing substandard work or receiving multiple homeowner complaints will be removed from the vendor 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.

R. Temporary Relocation:

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.
2. If the project is delayed due to the fault of the Vendor, the Contractor shall pay the excess relocation assistance cost as liquidated damages.
3. Packing, moving, and transportation costs for household furnishings shall be the responsibility and at the expense of the property owner.
4. Request for relocation assistance (including but not limited to, full or partial temporary housing costs) shall be reviewed on a case-by-case basis. Relocation assistance will increase the lien term.

S. Construction Procedure:

1. Upon approval of the Vendor, 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).
3. The Contractor is responsible for obtaining all required permits.
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 Vendor'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. Failure to comply can result in termination of Brevard County's contract with the homeowner.

T. Inspections and Payments:

1. Inspections: Compliance 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. 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 vendor's control. The Program Manager 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 \$15,000.

3. Progress Payments:

- a. Upon receipt of an invoice from the Vendor, 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.
 - b. Payment will be issued to the Contractor, for such amount as the Program determines to be properly due, or the Program will state in writing, within 5 days, cause for withholding a payment. The Program reserves the right to withhold payment for defective work and/or pay subcontractors directly.
 - c. The Program, on the basis of reasonable and verifiable evidence, may withhold from any payment, such amounts as may be necessary for protection of the Owner 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
4. Vendors contracted for rehabilitation/replacement 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 thirty (30) days after contract close-out. If a dispute over quality or completion of work is not resolved by the end of this period, the retainage will be held until resolution occurs.

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. 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.

W. 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.

X. 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.

Y. 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.

Z. 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.

AA. 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.

BB. 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).

CC. 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.

IV. RESERVATION OF AUTHORITY

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



Mary Bolin Lewis, Chairman
Brevard County Board of County Commissioners

Approved by the Board AUG 05 2014

ATTEST:



Scott Ellis, Clerk

HOUSING & HUMAN SERVICES DEPARTMENTAL POLICY

TITLE: Repair, Rehabilitation, and Replacement
Housing Program Policy

NUMBER: HS-008

CANCELS: January 11, 2011

APPROVED:

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 Replacement, Rehabilitation and Repair Housing Program as funded by the State Housing Initiatives Partnership Program administered by the Florida Housing Finance Corporation, the HOME Investment Partnership Program administered by the U.S. Department of Housing and Urban Development, and the Community Development Block Grant Program, administered by the U.S. Department of Housing and Urban Development.

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 replacement 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. Titles I and II of the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625, HOME Investment Partnerships Program.
- D. 24 CFR Part 92, Final Rule, HOME Investment Partnerships Program.

- E. 24 CFR Part 570, regulations, Community Development Block Grant Program.
- F. 24 CFR Part 39, Energy Conservation and Effectiveness Standards.
- G. 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.
- H. 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-014
- I. Applicant:** A person or household who submits a signed and completed Housing and Human Services Department application for assistance.
- J. 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.
- K. Community Development Block Grant (CDBG):** - A federal program administered by the U.S. Department of Housing and Urban Development which provides grant funds to local and state governments to develop viable urban communities by providing decent housing, human services, infrastructure improvements, activities to eliminate slum and blighted conditions and public facilities for low to moderate income residents and their communities.
- L. Default:** The occurrence of any of the following events:
- a. 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;
 - b. 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;
 - c. 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
 - d. 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.
- M. 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.
- N. Department:** The Housing and Human Services Department.

- O. 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.
- P. Foreclosure:** A legal proceeding initiated by a creditor to repossess the collateral for a loan that is in default.
- Q. Green Energy Standards:** U.S. Department of Energy – Energy Efficiency and Renewable Building Technologies Program.
- R. General Property Improvements:** Improvements that are not corrections of health and safety violations, but improvements that brings the property into decent or sanitary condition.
- S. Home Consortium:** Brevard County and four of its largest cities (Titusville, Cocoa, Melbourne, and Palm Bay) who have joined together to administer programs funded with HOME Investment Partnership Program Funds.
- T. Home Investment Partnership Program (HOME):** Program administered by the U. S. Department of Housing and Urban Development.
- U. 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.
- V. HUD:** The U. S. Department of Housing and Urban Development.
- W. Income:** Projected annual income established in compliance with HOME and SHIP regulations, specifically established in line with 24 CFR Part 5.609.
- X. 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: certificates of deposit, savings bonds, jewelry, guns, cameras, and equity in boats, recreational vehicles, and campers. 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. Client must provide documentation from fund management institution of identification of these assets as intended retirement enhancement funding.
- Y. 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.
- Z. 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).

- AA. 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 Statutes.
- BB. 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.
- CC. Program:** Repair, Rehabilitation and Replacement Housing Program.
- DD. Program Income:** All loans and grants awarded and repaid for eligible activities.
- EE. Recaptured Funds:** All loans and grants awarded and repaid for ineligible activities.
- FF. Rehabilitation:** Rehabilitation 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.
- GG. Replacement:** The rebuilding of a house on the same location.
- 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.
- KK. Vendor:** State licensed contractor who has met County and Program requirements to perform work under approved County programs, and has not been barred or suspended from performing federally financed work.

III. DIRECTIVES

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

B. Property Eligibility:

1. SHIP, HOME, and CDBG Programs:

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 replacement 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, (exceptions being homeowners whose property lies in a municipality that has recently received infrastructure and/or improvements funded by Brevard County). All exceptions must be approved by the Director or his/her designee. 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.
- f. An environmental review shall be performed on all properties.
- g. A property that is free of exterior code violations. However, waivers may be granted on a case by case basis by the Department Director.
- h. A property that is free of encumbrances and mortgages or in the case of a Replacement Home, one in which the existing mortgage holder(s) agree to subordinate their interest to Brevard County Board of County Commissioners in order to be approved.

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.

C. 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 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 during the last ten years. (In extenuating and unusual circumstances, the homeowner may make application to the Housing and Human Services Department and must receive approval from the Affordable Housing Advisory Council.
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 Applicants primary residence as determine 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. An underwriting 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 state or federal impediments (e.g. liens, judgments) to receiving assistance through these County Programs, guidance, counseling, and/or referral to remove these impediments will be offered. Applicants are not eligible until all impediments have been removed or, alternatively, the level of assistance may be restricted due to the severity of the impediment(s). In these instances, assistance will be limited to emergency repair.
9. All persons living in the household at the time of application shall be included when computing family size.
10. Property owners within 10% of income eligibility guidelines who are over 65 years of age, disabled, or have children under the age of 5, may have the income eligibility waived if approved by the Affordable Housing Advisory Council.
11. Ineligible Applicants
 - a. Any person currently incarcerated, on probation for an offense which would require them to register; or who must register with the Brevard County Sheriff's Office or the Florida Department of Law Enforcement under Florida Statute 775.13 as a person convicted of a felony in any court of this state or any person who has been convicted in a federal court or in any court of a state other than Florida or in any foreign state or country, which crime, if committed in

Florida, would be a felony; or any person listed by the Florida Department of Law Enforcement as a sexual predator or a sexual offender as provided for under Florida Statutes 944.606, 944.607, or 944.608. If any household member is a convicted felon, he or she must have his or her Civil Rights restored or must have been pardoned in order to receive assistance. Those applicants pending disposition will retain their place in the queue and eligibility determination will not be made until final disposition of their case.

- b. 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.
- c. 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; or are determined to not have a viable ownership interest through the underwriting review conducted by Program staff.
- d. 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. These applications will be considered new applicants upon re-application.
- f. Applicants denied assistance will be notified of the Department Approved Appeal Policy (HS-014).
- 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. Homes with an estimated after rehabilitation value above 90% 95% of the HUD median purchase are not eligible for assistance or SHIP Maximum Purchase Price Limit.
- j. Applicants that fail to provide required documents in a timely manner as requested from the Housing and Human Services Department Housing Counselor will have their filed denied due to lack of response.

D. 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.

E. Applicant Tracking and Ranking:

1. The intent of this program is to provide assistance to low income households who are living in substandard and unsafe dwelling with a special preference given to the elderly, disabled, and households with children under the age of five (5).
2. The Department's Housing Rehabilitation Program awards rehabilitation, repair, and replacement housing loans based on established criteria. Homeowners are placed on a waiting list in the following manner:
 - a. When the application is complete, income eligible applicants will be assigned to a waiting list. The application is considered incomplete until all statements pertaining to income, benefits, assets, homeowner's insurance, and employment have been received by the department. The homeowner will be notified when the application is complete. The household ranked highest will be served first, the next household second, and so on until available funds are fully expended.
 - b. The ranking system used by the Department considers the size and income of the household, the number of elderly (at least age 62 at time of application) residents in the household, number of disabled residents in the household, dwelling condition and the number of residents in the household who are five (5) years of age and younger. The ranking score is the total of all points. The household with the highest score will be served first, the next household second, and so on until available funds are fully expended.
 - c. Should households have identical financial needs as established by the ranking, the dwelling structure will determine priority. Dwelling condition determined to be life threatening will be the confirming factor after an inspection by the Department's assigned housing inspector. If scores remain tied, the application with the earliest date of application completion will have precedence.
 - d. The Waiting List will be closed when the estimated costs for rehabilitation, repair, or replacement for approved applicants exceed 140 percent of that year's funding allocation. No new applications will be accepted until funding is again available.
 - e. The Waiting List will be maintained by the Department and updated as applications are completed and households ranked. An applicant will be removed from the list when eligibility is determined and repair rehabilitation,

or replacement work is assigned to a housing inspector. An applicant who qualifies for emergency repairs will not be removed from the Waiting List unless the emergency repairs satisfy the major code violation which qualified the dwelling for the housing rehabilitation program. At least once a year, usually in June, applicants on the Waiting List will be contacted to verify if they wish to remain on the list.

- f. The Department reserves the right to adjust the waiting list to meet grant funding requirements related to income set-a-sides (i.e., requirements to expend a minimum amount of grant funds on specific income groups within a given year) and expenditure limitations (i.e., performing housing rehabilitation instead of replacement housing projects, etc.)

5. Ranking (Income, household size and composition and condition of dwelling):

a. Income:

- i. If household income is 30% or less area medium income - 30 points.
- ii. If household income is 31% to 50% of area medium income - 20 points.
- iii. If household income is 51% to 80% of area medium income - 10 points (not eligible for replacement assistance).

b. Household Composition:

- i. 10 points for each member 62 years of age and older.
- ii. 10 points for each member with total or partial disability which renders that person unable to work as shown by medical proof or receipt of disability benefits.
- iii. 10 points for each person five (5) years of age or younger.

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

Life Threatening conditions are defined as repairs 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.

F. Waivers:

Contingent on the availability of funds, repairs, rehabilitation and replacement 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.

G. Structure of Financial Assistance:

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

INCOME LEVEL ADJUSTED BY FAMILY SIZE	MAXIMUM ASSISTANCE
0%-50% Area Median Income	Emergency / Minor repairs up to full replacement
51%-80% Area Median Income	Up to \$35,000 in Minor Repairs
51%-80% Area Median Income	Up to \$10,000 in Emergency Repair

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, Project delivery costs up to \$5,000 will be considered a grant. Project delivery costs which exceed \$5,000 will become part of the lien. Property owners must agree to higher lien amounts when unavoidable 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. Replacement eligible clients with existing mortgages, who do not require replacement value repairs will be eligible for up to \$50,000 in direct assistance and \$55,000 in total assistance.

H. Agreements and Liens:

1. Agreement: Upon verification of income eligibility, the Eligible Property Owner will be required to sign an agreement which stipulates restrictions on the transfer or resale of the property, includes the amount of assistance for which they eligible; and 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, or a grant. 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. At mortgage signing, all Eligible Property Owners must demonstrate adequate insurance coverage, including flood insurance, if required. Eligible Property Owners are counseled on the importance of maintaining coverage after construction is completed. Applicants who meet all Program requirements, but do not currently carry insurance, may have a year's insurance premium paid by the Program, after certification of inability to afford the insurance and approval by the Department Director or Designee. Homeowner will also agree to sign a mortgage modification for a higher lien amount should costs go above executed mortgage amount. In the case of a death to the owner, interest may accrue if the property has not been properly transferred within 90 days.
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. An eligible spouse or family member may have the option of assuming the existing mortgage. To exercise this option, the spouse or family member shall assume all of the obligations previously assumed by the Borrower and must meet the current income and assets qualifications of Brevard County guidelines. Spouse as used herein shall mean the surviving spouse of the Borrower. Otherwise, Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. After 90 days, if no refinance, sale or transfer of the property occurs, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place on the date of death. 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.

5. 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 loans or grants repaid to the County shall be considered program income. All ineligible loans repaid to the County will be considered recaptured funds.
6. The County reserves the right to foreclose if the default is not cured.
7. Brevard County's mortgage is not considered satisfied until a Satisfaction of Mortgage is recorded with the Clerk of Courts.
8. 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
Grant	0 - \$5,000	Grant
5 years	\$5,001 - \$10,000	1/5 of loan amount
10 years	\$10,001 - \$30,000	1/10 of loan amount
15 years	\$30,001 - \$40,000	1/15 of loan amount
20 years	\$40,001 - \$50,000	1/20 of loan amount
30 years	\$50,001 - to full cost of replacement	1/30 of loan amount

9. The deferred mortgage lien is recorded prior to commencement of the construction project. Mortgage modifications are recorded for any approved changes in the loan amount and may include any additional soft costs associated with the project.
10. Any post-construction agreements or warranties are between the Homeowner and the Vendor.
11. Project delivery will be awarded as a grant and will not affect lien terms unless the amount exceeds \$5,000.
12. The property must be free of encumbrances and mortgages or the existing mortgage holder(s) must agree to subordinate it's interest to Brevard County Board of County Commissioners in order to be approved by the Replacement Housing Program.

I. Emergency/ Minor Repairs:

~~Rehabilitation costs not specifically required by the housing rehabilitation standards but found necessary for the safety, health, and general welfare of the occupants of the structure. All emergency repairs will require an inspection by an assigned Housing and Human Services Department Inspector and work write-up before quotes can be obtained.~~

- ~~1. Households that are in need of emergency repairs shall be limited to receiving one instance of emergency repairs. These repairs shall be no more than \$10,000.00 and awards up to \$5,000 will be provided in the form of a grant. Eligible repairs include:~~

~~Repairs necessary for long term preservation and maintenance of structural integrity such as replacement roofs, electrical system and plumbing repairs, air condition replacement and handicap accessibility. Eligible minor repairs include:~~

- ~~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 minor repair after conducting an inspection, completing a work write-up, and receiving the approval of the Department Director or his/her designee.~~

J. Housing Rehabilitation:

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 cost to correct 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 replacement 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 grant 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 Cost Effective Code 24 CFR Part 39 and 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 moving or storing furniture during rehabilitation is an eligible expense. The homeowner's role in moving or storing furniture during the construction phase of the project will be discussed during the pre-bid conference.
- 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.

K. Replacement Housing:

- 1.) When replacement 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 replacement 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 replacement 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 replacement is prohibited.
- 4.) A replacement 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.
- 5.) The replacement home must provide all permanent residents of the home with safe, decent, and sanitary housing within the terms of State, Federal, and Local Codes.

L. Ineligible Rehabilitation 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.) Swimming pools or pool equipment.

M. 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 replacement 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 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.

N. 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 reflect 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 contract documents that the homeowner and contractor will sign. The homeowner should initial each page of the write-up and sign the last page.
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 rehabilitation work only.

O. 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.

- a. Each Construction Bid Document will show the nature and location of the work and the quantity and types of material required.
- b. 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.

P. 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.
 - a. 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.
 - b. This program will adhere to state guidelines on lead-based paint where applicable.

Q. Contractor Procurement:

1. Homeowner Education: The Eligible Property Owner, and/or designee representing the Owner, will receive education on Selection. The Owner and/or a family designee are instructed on Contractor solicitation, including: licensing requirements of contractors, checking references of Vendors, and Program requirements of Vendors.
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 vendors 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, secure additional private funding, or the Program may ask the Eligible Property Owner to obtain a lower bid. The Program must receive all revised bids within 15 days of request.

- d. If the Eligible Property Owner prefers to hire a Contractor other than the low bidder, the Owner may hire the preferred Contractor and pay the additional funds. The additional private funding secured by the owner will be required at mortgage signing prior to the commencement of any construction activity on the home.
 - e. For emergency 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.
 - f. Contractors consistently performing substandard work or receiving multiple homeowner complaints will be removed from the vendor 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.

R. Temporary Relocation:

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.
2. If the project is delayed due to the fault of the Vendor, the Contractor shall pay the excess relocation assistance cost as liquidated damages.
3. Packing, moving, and transportation costs for household furnishings shall be the responsibility and at the expense of the property owner.
4. Request for relocation assistance (including but not limited to, full or partial temporary housing costs) shall be reviewed on a case-by-case basis. Relocation assistance will increase the lien term.

S. Construction Procedure:

1. Upon approval of the Vendor, 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).
3. The Contractor is responsible for obtaining all required permits.

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 Vendor'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. Failure to comply can result in termination of Brevard County's contract with the homeowner.

T. Inspections and Payments:

1. Inspections: Compliance 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. 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 vendor's control. The Program Manager 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 \$15,000.
3. Progress Payments:
 - a. Upon receipt of an invoice from the Vendor, 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.
 - b. Payment will be issued to the Contractor, for such amount as the Program determines to be properly due, or the Program will state in writing, within 5 days, cause for withholding a payment. The Program reserves the right to withhold payment for defective work and/or pay subcontractors directly.
 - c. The Program, on the basis of reasonable and verifiable evidence, may withhold from any payment, such amounts as may be necessary for protection of the Owner 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

4. Vendors contracted for rehabilitation/replacement 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 thirty (30) days after contract close-out. If a dispute over quality or completion of work is not resolved by the end of this period, the retainage will be held until resolution occurs.

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. 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.

W. 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.

X. 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.

Y. 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.

Z. 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.

AA. 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.

BB. 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).

CC. 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.

IV. RESERVATION OF AUTHORITY

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

Mary Bolin Lewis, Chairman
Brevard County Board of County Commissioners

Approved by the Board _____

ATTEST:

Scott Ellis, Clerk

DRAFT