FLAGLER COUNTY
HOUSING REPLACEMENT GUIDELINES

1. OBJECT OF PROGRAM:

A. To provide replacement housing to low and very low-income homeowners to replace their dilapidated residences with units that meet minimum property standards and standards set forth in the **most current edition of the Florida Residential Code as adopted by the State of Florida.**

B. To improve the condition of the housing stock while maintaining housing costs at levels affordable by low and very low-income households.

C. To reverse the physical deterioration of Flagler County by eliminating dilapidated housing stock.

2. OWNER ELIGIBILITY:

A. Properties must be located within Flagler County, Florida. The properties qualifying must be approved by the Affordable Housing Advisory Committee.

B. Homeowners must fall within the income guidelines as periodically updated by the State Housing Initiative Partnership Program.

C. Only owner-occupied dilapidated properties in Flagler County are eligible. Units of rental property will not be eligible under this activity. Units must have been occupied by the current owner for the past three (3) years in order to qualify for SHIP assistance. In addition, the owner must also occupy units at the time applications are being accepted for the Housing Replacement Program. Upon approval by the Affordable Housing Advisory Committee, any owner/applicant that is unable to occupy their unit due to unfit or unsafe conditions may remain eligible provided that the vacancy period does not exceed eight months prior to an initial application for assistance. It shall be the responsibility of the applicant to provide documentation that verifies the length of the vacancy prior to consideration by the Affordable Housing Advisory Committee. The owner must occupy the home upon completion.

At the recommendation of the Affordable Housing Advisory Committee, the Flagler County Board of County Commissioners may grant a variance from any of the requirements of Subsection 2C hereof upon a finding that such a variance would promote the objectives of the Program.

D. The applicant must be the homeowner and the deed must be in the homeowners name only.

Priority will be given to the very low-income category, when it is necessary to do so, in order to ensure that the SHIP program requirements are being met.

Applicants living in areas targeted in either the Flagler County Comprehensive Plan or the Comprehensive Plans of any of the Municipalities within Flagler County as areas of distressed housing shall be given priority over applicants living in other areas of the county.

E. To select participants in the Housing Replacement Program, the following steps will be taken:

1. A display ad will be placed in one or more local newspapers of general circulation advising local citizens of the availability of grant funds and establishing a convenient time and place for interested citizens to obtain information and pick up application forms to allow them to be considered for inclusion in the program. The County will accept applications for a minimum of twelve (12) calendar days after the notice is placed.

2. Local organizations that would normally work with clientele that could qualify for the program shall be contacted and a list of possible applicants obtained from them. This list will then be reviewed and contacts made to help potential participants who qualify sign up for the program.

3. Once a list of potential participants has been obtained, the SHIP office or their representative shall perform initial inspections of the dwellings to determine which of the following categories they are part of:

   a. Minor rehabilitation – the cost to correct all code violations are estimated at ten-thousand dollars ($10,000.00) or less.

   b. Moderate – the cost of correcting all existing code violations is estimated to be between ten thousand and one dollar $10,001.00 and not to exceed twenty thousand dollars $20,000.00.
   Major – the cost between twenty thousand and one dollar $20,001.00 not to exceed the maximum allowable limited of thirty-five thousand dollars ($35,000.00).

   c. Replacement housing – the cost of correcting all existing code violations is estimated to exceed thirty-five thousand dollars ($35,000.00) or; the unit is deemed structurally unsound and not feasible for rehabilitation.

Those units falling into the replacement category either because the estimated cost of rehabilitation or existing structural conditions shall be considered for this program, depending upon funding availability.

Preliminary applications shall be taken on each potential participant.

3. <u>UNIT ELIGIBILITY</u>:

A. For a unit to be eligible, one of the following criteria must be met:

1. Cost of rehabilitation of a conventionally constructed housing unit must exceed eighty percent (80%) of the cost of new construction. Lead Based Paint

inspection and abatement shall be included in calculating the rehabilitation cost. Current costs for new **construction are in excess of $105.93 per square foot for a single-family residence as per the August edition of the International Code Council Building Safety Journal. (the most recent valuation).**

2. Less than seventy-five percent (75%) of the exterior structural envelope is salvageable.

3. Owners of substandard or dilapidated mobile homes that hold title to both the mobile home and the real property it is located on shall be considered eligible to receive a replacement unit under this program.

4. OPTIONS OF THE OWNER:

A. The owner may elect to have a conventional home placed on the property where the house is currently located.

1. The new housing must be constructed meeting all of Flagler County's current zoning and building code requirements.

2. If the owner elects to participate in the Housing Replacement Program, the procedure will be as follows:

___ The SHIP Administrator will ensure that the deed is in the name of the homeowner only. The Flagler County Purchasing Department will place a legal notice in a local newspaper of general circulation to solicit interested contractors to participate in the program. Flagler County also solicit bids through Onvia (Demandstar). (Contractors must be either State Certified or meet all local building department requirements to be eligible to obtain a building permit.) There will be a mandatory pre-bid meeting.

___ Each interested contractor will present the county with a set of plans and specifications that he or she (the contractor) is willing to provide for the amount of the housing replacement payment plus any additional funds the owner may provide.

___ The county will select a contractor to build a home based upon plans, specifications, and options available.

___ A Pre-Construction Conference will be held between the owner, the contractor, and Flagler County SHIP staff to review the project in detail.

___ The following contracts will be executed simultaneously:

___ Agreement between the owner and the contractor to provide for the construction of a new dwelling for the amount of the approved housing replacement payment.

___ The owner authorizes Flagler County to act as agent for the construction of the new residence.

___ A Mortgage and Promissory Note between the property owner and Flagler County will be completed at contract signing, and will be updated at a title agency office upon completion of the home.

5. SIZE OF UNITS

A. The size of each dwelling unit shall be based upon the following criteria as they pertain to the current permanent residents of the existing dwelling:

___ No more than two (2) persons of the same sex may occupy the same bedroom.

___ Two (2) persons of the opposite sex may not occupy the same bedroom (excluding husband and wife).

___ Only the husband, wife, dependent children (including those who are mentally and/or physically handicapped), and family members 62 years of age or older who are currently residing in the household will be counted in calculating family size and the minimum number of bedrooms and square footage allowance.

6. CONSTRUCTION IN A FLOODPLAIN

In designated floodplain areas where the existing housing unit is being demolished and a new housing unit is being constructed, the floor elevation of the new unit must be located above the existing one hundred (100) year flood plain elevation.

The one hundred (100) year flood plain elevation benchmark must have been established by a registered land surveyor. The owner shall be required to obtain flood insurance on the residence as part of the Flagler County SHIP Program requirements. The cost of the flood insurance shall be an eligible SHIP program expense.

7. TYPE OF FINANCING:

The SHIP funds provided to qualified very-low and low income recipients will be in the form of deferred payment assistance with recapture provisions. The deferred payment loan will be defined as a soft second mortgage with zero percent (0%) interest for **30 years.** Should the property be sold during the first ten years, or the homeowner should refinance the first mortgage to use equity in the home, the full loan will become due and payable. If a person should refinance or sell the home between years eleven (11) to thirty (30), there will be a reduction of 5% per year for each year of ownership between years eleven (11) and thirty (30). If, the homeowner stays in the house for the entire commitment period of **30 years**, and in compliance with related SHIP requirements, the assistance amount is depreciated to zero (0) at the end of this period.

APPROVAL:

The Affordable Housing Advisory Committee (AHAC) will review and approve all applications for rehabilitation/ replacement, which will include the following information:

1. Assigned case number.
2. Name and address of applicant.
3. Estimated minimum size and relocation payment for the dwelling.
4. Source and amount of the family's income.
5. Size and description of the family.
6. Property title information.
7. Legal description of the property.
8. Lot size.

8. OPERATING PROCEDURE:

A. On all applications:

1. The Flagler County SHIP staff or their representative makes the initial contact with the homeowner, explains the program, and leaves "General Information to Homeowners" forms.

2. The County's SHIP staff or their representative takes the application on the owner and the family.

3. The County's SHIP staff or their representative verifies all information, including the following:
    a. assets
    b. mortgage
    c. taxes
    d. title
    e. income
    f. property insurance

4. The property is inspected by Flagler County or their representative and determined to be beyond rehabilitation.

5. The owner indicates that he/she/they wish to participate in the Flagler County Housing Replacement program.

6. The Housing Replacement client is approved by the Affordable Housing Advisory Committee.

7. Flagler County Purchasing Department advertises for contractors.

8. The contractor prepares detailed plans and "A Description of Materials" form and submits these to the Flagler County Purchasing Department through the bid process.

9. Contracts between Flagler County, the client, and the contractor are executed (the client authorizes Flagler County to act as an agent for the applicant in construction of the new residence.

10. The client is relocated, if required, at his/her own expense.

11. The new dwelling is constructed.

12. The client signs an acceptance of the new structure.

13. The client occupies the new structure.

GUIDELINES AND REQUIREMENTS OF THE SHIP PROGRAM SHALL BE ADHERED TO AT ALL TIMES

*Note: The Flagler County SHIP office or their representative and Flagler County's building inspector shall make regular inspections on the work as it progresses.

APPROVED THIS _____4th_____ DAY OF _____March_____, 2013.

BOARD OF COUNTY COMMISSIONERS OF FLAGLER COUNTY, FLORIDA

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Nate McLaughlin, Chair

APPROVED-AS-TO-FORM

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Al Hadeed, County Attorney