SHIP LHAP Template 2016-001
[eff. Date 9/11/2018]

FLAGLER COUNTY & CITY OF PALM COAST

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)
LOCAL HOUSING ASSISTANCE PLAN (LHAP)
State Fiscal Years

Approved by the Flagler County Board of County Commissioners
Date: June 3, 2019
Approved by the Palm Coast City Council
Date: June 18, 2019
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<td></td>
</tr>
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</table>
I. Program Details:

A. Local Government(s)

<table>
<thead>
<tr>
<th>Name of Local Government</th>
<th>Flagler County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does this LHAP contain an interlocal agreement?</td>
<td>Yes</td>
</tr>
<tr>
<td>If yes, name of other local government(s)</td>
<td>City of Palm Coast</td>
</tr>
</tbody>
</table>

B. Purpose of the program:
- To meet the housing needs of the very low, low and moderate-income households;
- To expand production of and preserve affordable housing; and
- To further the housing element of the local government comprehensive plan specific to affordable housing.


D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face to face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

H. Advertising and Outreach: SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

I. Waiting List/Priorities: A notification list will be established when there are interested applicants for strategies that no longer have funding available. Those households on the notification list will be notified periodically of funding availability. No waiting list will be maintained as assistance is provided on a first-qualified, first-served basis with the established funding priorities described in this plan.
The following priorities for funding described/listed here apply to all strategies unless otherwise stated:

<table>
<thead>
<tr>
<th>a. Special Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Very Low Income</td>
</tr>
<tr>
<td>ii. Low Income</td>
</tr>
<tr>
<td>iii. Moderate Income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b. Essential Services Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Very Low Income</td>
</tr>
<tr>
<td>ii. Low Income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. Non-Special Needs and Non-Essential Services Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Very Low Income</td>
</tr>
<tr>
<td>ii. Low Income</td>
</tr>
</tbody>
</table>

J. **Discrimination**: In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.

K. **Support Services and Counseling**: Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, and Financial Coaching and Budget Management through qualified HUD-approved agencies. When funding is available the County will contract with HUD-certified agencies to provide comprehensive housing counseling and education services to residents in need of affordable housing.

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

The methodology used is:

<table>
<thead>
<tr>
<th>U.S. Treasury Department</th>
<th>X</th>
</tr>
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<tbody>
<tr>
<td>Local HFA Numbers</td>
<td></td>
</tr>
</tbody>
</table>

M. **Income Limits, Rent Limits and Affordability**: The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

“Affordable” means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household’s ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case
of rental housing does not exceed those rental limits adjusted for bedroom size.

N. Welfare Transition Program: Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.

O. Monitoring and First Right of Refusal: In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of $10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

P. Administrative Budget: A line-item budget is attached as Exhibit A. The County finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

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

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to $350,000 may use up to 10 percent of program income for administrative costs.” The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

Q. Program Administration: Administration of the local housing assistance plan will be performed by:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Duties</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government</td>
<td>All administrative duties</td>
<td>100%</td>
</tr>
<tr>
<td>Third Party Entity/Sub-recipient</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

R. Project Delivery Costs: Range between 2-5% of the award for expenses not covered by administrative budget, such as home inspections, title searches, recording fees, as well as housing counseling and education services.

S. Essential Service Personnel Definition: All county residents meeting program income limits and working full-time as a first responder, educator, or health care professional.
T. Describe efforts to incorporate Green Building and Energy Saving products and processes: Flagler County encourages the incorporation of sustainable, storm-resistant innovative design and energy and water conservation into new construction and rehabilitation projects for ongoing sustainability and affordability. The County will, when economically feasible, employ the following Green Building requirements on new construction, rehabilitation and emergency repair projects:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
2. Low-flow or high-efficiency water fixtures in bathrooms—Florida Water Star qualified or WaterSense labeled products or the following specifications:
   a. Toilets: dual flush, 1.28 gallons/flush or less,
   b. Faucets: 1.5 gallons/minute or less,
   c. Showerheads: 2.0 gallons/minute or less;
3. Energy Star qualified water heater;
4. Energy Star qualified refrigerator;
5. Energy Star qualified dishwasher, if provided;
6. Energy Star qualified washing machine, if provided in units;
7. Energy Star qualified exhaust fans in all bathrooms; and
8. Air conditioning: Minimum SEER of 16. Packaged units are allowed in studios and one bedroom units with a minimum of 11.7 EER.
9. Attic (ceiling) insulation: Minimum of R-38
10. Light Emitting Diode (LED) bulbs or Energy Star light bulbs

Flagler County obtained its Green Local Government Designation from the Florida Green Building Coalition. Flagler County will adhere to the Florida Board Code Provision. Contractors working on SHIP rehabilitation and replacement homes will have to identify from the most current Florida Green Building Coalition (F.G.B.C) checklist for which items they are in compliance.

The City of Palm Coast adopted Resolution No. 2008-75 in May 2008 which positioned the City with a “Leading by Example” posture. With this resolution and in relation to housing, the City committed to evaluate green development incentives and mandatory land development regulations.

As a result of Resolution 2008-75, the City of Palm Coast adopted the Unified Land Development Code (Ordinance 2008-16), which incorporated fifty-seven green elements into the code. In addition, the City of Palm Coast City Council adopted the Green Development Incentive Program Ordinance (Ordinance No. 2009-22) and Green Incentive Fee Waiver Resolution (Resolution No. 2009-182).

The City Council subsequently adopted Resolution 2013-132 which established a $10,000 annual program budget for the Green Development Incentive Program. The budget facilitates a voluntary program that promotes established green certification programs through an incentive-based approach. This Program provides reimbursement for building permit fees as follows: (a) New residential construction ($300), (b) Residential retrofitting/remodeling ($300), (c) New commercial/non-residential construction ($1,000), and (d) Existing commercial/non-residential construction ($1,000). In addition, this Program provides the following incentives: permit review fast tracking, one (1) no-cost Florida Green Building Coalition (FGBC) certification review by City staff per Program Participant for new single-family homes, educational workshops for general
public and program participants, and promotion of participants and associated projects through City media resources.

**U. Describe efforts to meet the 20% Special Needs set-aside:** The County will partner with social service agencies serving the designated special needs populations to achieve the goal of the special needs set-aside. The goals will be met through the owner-occupied rehabilitation, emergency repair, and rental assistance strategies.

**V. Describe efforts to reduce homelessness:** The County works with the local Continuum of Care (CoC) and agencies serving persons experiencing homelessness primarily through partnerships, referrals, and rental assistance to place these individuals and families in rental housing for the purpose of providing a stable housing situation. The County uses SHIP funding to prevent homelessness through the foreclosure prevention and eviction prevention programs.

**Section II. LHAP Strategies:**

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<th>A. Down Payment Assistance</th>
<th>Code 1, 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. <strong>Summary:</strong> Funds will be awarded for down payment and closing costs to first-time homebuyers to purchase a newly constructed or existing home, including homes purchased from a Community Land Trust (CLT). A newly constructed home must have received a Certificate of Occupancy within the last 12 months. Prospective homebuyers must qualify as a first-time homebuyer under the HUD definition: An individual who has had no ownership in the principal residence during the 3-year period ending on the date of purchase of property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.</td>
<td></td>
</tr>
<tr>
<td>c. Income Categories to be served: Very Low, Low and Moderate</td>
<td></td>
</tr>
<tr>
<td>d. Maximum award: Very Low $35,000 Low $25,000 Moderate $10,000</td>
<td></td>
</tr>
<tr>
<td>e. Terms:</td>
<td></td>
</tr>
</tbody>
</table>
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage
2. Interest Rate: 0%
3. Years in loan term: 15
4. Forgiveness: The loan is forgiven at 10% per year beginning in year 6.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an effort to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

f. Recipient Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis. Homebuyers must complete an approved homebuyer education class from a HUD-certified agency and obtain a certificate of completion. CLT homebuyers must attend a homebuyer education class that contains a Community Land Trust component and/or session with the CLT in addition to a homebuyer education class that requires CLT buyers to demonstrate and attest to a clear understanding of the terms of Community Land Trust homeownership.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Applicants must secure a first mortgage through an approved lender (no private owner or seller financing). Loan will be awarded on a case-by-case basis in the amount of minimum subsidy required in order to allow the homebuyer to purchase an affordable home. Debt-to-income (DTI) ratio cannot exceed 33/40. The maximum award will not be awarded in all cases. Homebuyer must
contribute a minimum of 1% of contract price towards the purchase. Purchase of manufactured/mobile homes less than 5 years old are eligible for assistance. Home must be located in Flagler County.

Terms for CLT home purchases: This SHIP assistance is assumable to an income-eligible homebuyer. The terms of the Note and Mortgage shall allow subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment will be required during the term of the loan, provided the loan remains in good standing. Please see Exhibit J for additional instructions and information for CLT purchases.

B. Owner Occupied Rehabilitation

<table>
<thead>
<tr>
<th>Code 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Summary: Funds will be awarded to repair owner-occupied homes to alleviate code violations, health hazards, life and safety issues, accessibility, electrical, plumbing, roofing, windows and other structural items. Other non-essential items may be included if funds are available after completing all necessary repairs.</td>
</tr>
<tr>
<td>c. Income Categories to be served: Very Low, Low</td>
</tr>
<tr>
<td>d. Maximum award: $50,000</td>
</tr>
<tr>
<td>e. Terms:</td>
</tr>
<tr>
<td>1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage</td>
</tr>
<tr>
<td>2. Interest Rate: 0%</td>
</tr>
<tr>
<td>3. Years in loan term: 15</td>
</tr>
<tr>
<td>4. Forgiveness: The loan is forgiven at 10% per year beginning in year 6.</td>
</tr>
<tr>
<td>5. Repayment: None required as long as the loan is in good standing.</td>
</tr>
<tr>
<td>6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.</td>
</tr>
</tbody>
</table>

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic
event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an effort to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. of this plan.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Mobile homes, condos, and other attached homes are not eligible. Home must be located in Flagler County.

C. Emergency Repair

a. Summary: Funds will be awarded to applicants in need of rehabilitation of their home related to a dire situation that needs to be mitigated immediately. This includes: damaged roofing that is leaking, damaged windows causing exposure to the elements, or electrical or plumbing problems that could cause damage to the home or is an immediate health hazard to the occupants. Funds may also be awarded to pay insurance deductibles for any emergency repairs covered by the homeowner’s insurance policy.

c. Income Categories to be served: Very Low, Low
d. Maximum award: $15,000
e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage
2. Interest Rate: 0%
3. Years in loan term: 10
4. Forgiveness: Loan will be forgiven on a prorated basis so that 10% is forgiven annually.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an effort to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

f. Recipient Selection Criteria: Applicants will be ranked for assistance on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. of this plan.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Mobile homes, condos, and other attached homes are not eligible. Home must be located in Flagler County.

D. Demolition and Reconstruction

<table>
<thead>
<tr>
<th>Code 4</th>
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<tbody>
<tr>
<td>a. Summary: Funds will be awarded to applicants who have been approved for owner occupied rehabilitation in cases where the home is beyond reasonable repair (more than 50% of structure is deemed unlivable and estimated rehab exceeds maximum award for that strategy). This includes manufactured/mobile homes.</td>
</tr>
<tr>
<td>c. Income Categories to be served: Very Low, Low</td>
</tr>
</tbody>
</table>
d. Maximum award: $125,000

e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage
2. Interest Rate: 0%
3. Years in loan term: 30
4. Forgiveness: The loan is forgiven at 5% per year beginning in year 11.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an efforts to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. of this plan.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Condos and other attached homes are not eligible. Home must be located in Flagler County.
E. Foreclosure Prevention

<table>
<thead>
<tr>
<th>Code 7</th>
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</table>

a. **Summary:** Funds will be awarded to homeowners that are in arrears on their first mortgage. The arrearage must be at least 2 months but no more than 6 months and cannot be under an active foreclosure action.

b. **Fiscal Years Covered:** 2019-2020, 2020-2021, 2021-2022

c. **Income Categories to be served:** Very low, low and moderate

d. **Maximum award:** $5,000

e. **Terms:**
   1. Repayment loan/deferred loan/grant: Grant
   2. Interest Rate: N/A
   3. Years in loan term: N/A
   4. Forgiveness: N/A
   5. Repayment: N/A
   6. Default: N/A

f. **Recipient Selection Criteria:** In addition to being selected on a first-qualified, first-served basis, applicants must:
   1) Provide proof on the arrearage in the form of notification from the mortgage holder. This cannot be from a private mortgage holder.
   2) Provide evidence of a hardship that caused the arrearage (i.e. loss of employment/income, death of household member, divorce, extended illness or disability).
   3) Provide a written statement as evidence of the ability to resume making mortgage payments after the assistance is provided that includes an explanation of how the hardship has been overcome and an indication of the budget plan that will allow for resumption of payments.
   4) Receive counseling from a HUD-approved agency trained in foreclosure counseling as assigned by County staff. The counseling agency must sign off on the budget plan.

g. **Sponsor/Sub-recipient Selection Criteria:** N/A

h. **Additional Information:** Manufactured/mobile homes are not eligible. Home must be located in Flagler County.
F. Disaster Recovery

a. Summary: Funds will be awarded to applicants in need of short-term rental assistance or home repairs directly caused by a disaster that is declared by an Executive Order of the President or Governor. Repairs will be prioritized as follows:
   1) Immediate threats to health and life safety (well, sewer, damaged windows, roofing) in cases where the home is still habitable.
   2) Imminent residual damage to the home (such as damage caused by a leaking roof) in cases where the home is still habitable.
   3) Repairs necessary to make the home habitable.
   4) Repairs to mitigate dangerous situations.

In addition, funds may be used for the following items:
   a) Purchase of emergency supplies for eligible households to weatherproof damaged homes;
   b) Construction of wells or repair of existing wells where public water is not available;
   c) Payment of insurance deductibles for rehabilitation of homes covered under homeowner’s insurance policies;
   d) Security deposit and rental assistance for the duration of the Executive Order for eligible recipients that have been displaced from their homes due to damage from the declared disaster;
   e) Repairs necessary to make the home habitable for non-insured homeowners;
   f) Other activities as proposed by the County and approved by Florida Housing.


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

d. Maximum award:
   Repair: $10,000
   Deductible: $5,000
   Rental Assistance: $5,000

e. Terms:
   1. Repayment loan/deferred loan/grant: Grant
   2. Interest Rate: N/A
   3. Years in loan term: N/A
   4. Forgiveness: N/A
   5. Repayment: N/A
   6. Default: N/A
f. **Recipient Selection Criteria:** Applicants will be assisted on a first-qualified, first-served basis with first priority to seniors (62+ years old), special needs, and very low and low income households. In addition, applicants must:
   1) Provide proof of homeowner’s insurance; and
   2) File for and use proceeds from insurance as first option; or
   3) If uninsured, provide proof of most recent homeowner’s insurance

g. **Sponsor Selection Criteria:** N/A

h. **Additional Information:** Funds for disaster assistance will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the disaster. Manufactured/mobile homes are not eligible. Home must be located in Flagler County.

### G. Rental Assistance

**Code 13, 23, 26**

| a. **Summary:** Funds will be awarded to renters that are in need of assistance for: a) security and utility deposit assistance; b) eviction prevention not to exceed 6 months’ rent; and/or c) rent subsidies for up to 12 months. To be eligible for rent subsidies, the household receiving assistance must be very low income and include at least one adult who is a person with special needs as defined in Section 420.0004(13), F.S. or homeless as defined in Section 420.621, F.S. |
|---|---|
| b. **Fiscal Years Covered:** 2019-2020, 2020-2021, 2021-2022 |
| c. **Income Categories to be served:** Very Low, Low |
| d. **Maximum award:**
  - Rent Assistance: $5,000
  - Eviction Prevention: $3,000 |
| e. **Terms:**
  1. Repayment loan/deferred loan/grant: Grant
  2. Interest Rate: N/A
  3. Years in loan term: N/A
  4. Forgiveness: N/A
  5. Repayment: N/A
  6. Default: N/A |
| f. **Recipient Selection Criteria:** Applicants will be assisted on a first-qualified, first-served basis. |
| g. **Sponsor Selection Criteria:** N/A |
| h. **Additional Information:** Home must be located in Flagler County. Case management will be provided by the Flagler County Social Services Department or referred to community social service agencies as needed. In addition:
1) Applicants must go through an assessment provided by staff to determine likelihood of housing sustainability and stabilization once assistance period runs out.
2) A formal lease agreement must be executed by landlord and tenant.
3) Assistance will be provided directly to the housing provider as part of a lease agreement.
4) Recipients of other ongoing rental assistance such as Housing Choice Voucher, or former Section 8 program, may only be considered eligible for security deposits.

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<tr>
<th>H. Rental Development</th>
<th>Code 14, 21</th>
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<tr>
<td><strong>a. Summary:</strong> Funds will be awarded to developers of affordable multifamily rental units that are awarded construction financing through other state or federal housing programs to construct or rehabilitate affordable rental units. This funding is intended to be used as gap financing required for the project.</td>
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<td><strong>b. Fiscal Years Covered:</strong> 2019-2020, 2020-2021, 2021-2022</td>
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<td><strong>c. Income Categories to be served:</strong> Very low, low and moderate</td>
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<td><strong>d. Maximum award:</strong> $5,000 per unit; Total development: $75,000 for developments over 50 units $150,000 for developments with 50 units or less that include a minimum of 50% of total units set-aside for persons with Special Needs and/or persons experiencing homelessness</td>
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<td><strong>e. Terms:</strong></td>
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<td>1. Repayment loan/deferred loan/grant: For for-profit developers, funds will be awarded as a loan secured by a recorded subordinate mortgage and note. For non-profit developers, funds will be awarded as a forgivable loan secured by a recorded subordinate mortgage and note.</td>
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<td>2. Interest Rate: 0%</td>
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<td>3. Years in loan term: 15</td>
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<td>4. Forgiveness: Non-profits, the loan is forgiven on a prorated basis beginning in year 6 so that 10% of the loan is forgiven annually from years 6 through 15.</td>
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<td>5. Repayment: For-profits, the loan is due and payable at the end of the term unless the County negotiates an extended term to secure affordable rental units in the best interest of the County’s residents.</td>
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<td>6. Default: For all awards, a default will be determined as: sale, transfer, or conveyance of property; conversion to another use; failure to maintain standards for compliance as required by any of the funding sources. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.</td>
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If the property is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.
f. Recipient Selection Criteria: All applicants for residence in SHIP-assisted units must meet income qualifications of the program as determined and reported by the developer or developer’s management company for the development.

g. Sponsor Selection Criteria: Developers will apply to the County through an RFQ process that is open year round. The RFQ will require proof of developer experience in providing affordable rental housing, proof of financial capacity, evidence of site control (or contract for sale), proof of ability to proceed once all funding is closed, and a housing unit design plan that meets the County’s Housing Element in the Comprehensive Plan.

The County reserves the right to select developments that meet all the above requirements and:
1) Are in areas of immediate need due to lack of available units.
2) Propose to preserve and improve existing units.

All funding awards will be subject to closing on other funding sources.

h. Additional Information: Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units. Development must be located in Flagler County.

III. LHAP Incentive Strategies – Flagler County

In addition to the required Incentive Strategy A and Strategy B, include all adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S.:

A. Expedited Permitting

The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s.163.3177(6)(f)(3).

In Flagler County, permits for affordable housing projects are expedited to a greater degree than other projects by standard custom and practice. All rehabilitation and replacement home construction projects were processed through the expedited permit strategy. At this time, the County’s Housing Element of the Comprehensive Plan does not include any specific policies that pertain to expedited permitting; however, both Policies C.1.1.3 and C.1.1.4 foster the County’s current practice to expedite affordable housing permits:
Policy C.1.1.4: Flagler County shall continue to use its Affordable Housing Advisory Committee to assess very low, low and moderate income housing needs and recommend programs that could be instituted to facilitate the implementation of the County’s Housing Goals, Objectives and Policies.
Affordable housing projects will be processed in the next available Planning Board or Board of County Commissioners meetings regardless of the application closing date, provided the applications meet the legal notice requirements.
Affordable housing projects will be approved as priority projects. The affordable housing projects will be moved to the front of the agenda at the County Technical Review Committee and Planning Board meetings. Processing the affordable housing projects at the next available Planning Board or Board of County Commissioner meetings regardless of application closing dates will result in a reduction of five to fifteen days of time. This time reduction will result in measurable savings of project cost and interest.

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

Each year, before the adoption of any new ordinances, local governments are to determine the amount of increase in the cost of affordable housing by adopting any new ordinance or updating an existing ordinance that may impact the provision of housing. Then the local government is to report annually to the State regarding how much the cost of housing had increased through these actions. Before adopting a new ordinance to increase impact fees, the local government is to advise the amount of additional cost of housing within their jurisdiction. In Flagler County, this is typically accomplished through the staff report for Board consideration and action which accompanies each proposed action item, including ordinance adoption. The consideration of this requirement formalizes what already occurs as part of the staff review for Board of County Commissioner agenda items.

Prior to the adoption of new land development regulations, the Planning and Development Board will review new regulations for consistency with the adopted Comprehensive Plan. The Long Range Planning Board and/or the County Housing Task Force will be used to review all policies. Policy C.1.1.3: Continue to review ordinances, codes, and regulations and the permitting process for the purpose of eliminating excessive requirements, and amending or adding other requirements in order to increase private sector participation in meeting the housing needs, while continuing to ensure the health, welfare and safety of the residents. The health, safety, and general welfare of the County’s residents is preserved through the implementation of zoning and land development regulations. As a policy in the County’s adopted Comprehensive Plan, Housing Element Policy C.1.1.3 as cited is implemented through the County’s Land Development Code. The policy calls for a continuing review of “ordinance, codes, and regulations and the permitting process”; this is being achieved through the work of the Planning and Development Board and the Affordable Housing Advisory Committee, including other ad hoc committees as may be created by the Board of County Commissioners from time to time to accomplish this task.

C. Other Incentive Strategies Adopted:
The modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

Impact fees and utility capacity charges are needed to provide revenue for constructing capacity producing capital improvements necessary to accommodate growth. Overall, this impact fee revenue partially funds construction of major roadways, libraries, schools, parks, correctional facilities, fire/EMS facilities, law enforcement facilities, and public buildings. Because these fees are based on fair share payments by the people benefiting from the capital improvements, impact
fees and utility capacity charges cannot be waived or reduced for any individual group or category of construction. On the other hand, these fees increase the cost of housing and put a burden on the production of affordable housing projects. To lessen the impact on affordable housing projects, the cost of impact fees may be paid by other funding sources.

Flagler County presently has an exemption for low-income housing from educational facilities impact fees (excerpted below from Section 17-142 (c), Flagler County Code of Ordinances.

(1) Dwelling units constructed or mobile homes installed for low-income and very low-income residents shall be exempt from the educational facilities impact fees.

(2) As a condition of the exemption, the owner must agree to execute and record a lien against the property for a period of ten (10) years guaranteeing that the proposed dwelling unit will continue to be used for low-income and very low-income residents. The lien against the property shall be subject only to the lien for general taxes. In the event that the unit is no longer used for low-income or very low-income housing, then the county can compel the owner to pay the impact fee amount plus interest from which the owner or any prior owner was exempt. The interest rate is the prevailing interest rate applied against the original, exemp ted educational facilities impact fee amount at the time that the “unit is no longer used for low-income or very low-income housing”. The interest rate would be applied to the principal (the educational facilities impact fee amount) for the number of years (prior to the tolling of the ten (10) year period of the exemption) that the educational facilities impact fee exemption was claimed. The lien shall run with the land and apply to subsequent owners for a period of ten (10) years.

(3) Any claim for an exemption must be made no later than the time of application for a building permit or a permit for a residential mobile home installation. Any claim not so made shall be deemed waived.

(4) The county administrator shall be authorized to determine whether a particular dwelling unit falls within the exemption for low-income or very low-income housing pursuant to the provisions of this section. Determinations of the county administrator shall be subject to the appeals procedures set forth in section 17-147 below. (Ord. No. 04-20, § 13, 12-6-04)

Flagler County recently suspended the imposition of Transportation Impact Fees. Suspending or waiving impact fees does not eliminate the cost of the infrastructure that the impact fees are designed to pay for. Either new development or existing residents must pay the cost of needed infrastructure improvements. If new development, which puts additional demand on county facilities and services, does not pay its fair share of infrastructure cost through impact fees, then existing residents will have to pay those costs through higher fees or taxes. Flagler County will modify impact fee requirements, including reduction of fees and alternative methods of fee payment for affordable housing from special funding sources.

D. The allowance of flexibility in densities for affordable housing.

Within Flagler County, the future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming
the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across the board densities do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects. Currently, Housing Element Policy C.1.1.2 and the Article III, Section 3.09.02 Flagler County Land Development Code (LDC). Provide affordable housing projects up to an estimated 11% density bonus over the maximum density established by the underlying land use designation.

Currently, Housing Element Policy C.1.1.2 and Article III, Section 3.03.09.02(D)-(2) of the LDC provide for affordable housing density bonuses:

Policy C.1.1.2: Flagler County shall continue to encourage the private sector to provide affordable housing for very-low, low and moderate income families through the use of the Housing Density Bonus System.

The County’s Affordable Housing Density Bonus Provisions are codified in Section 3.03.09.02(D)-(2) of the LDC, as follows:

Maximum density – Nine (9) units per acre with an affordable multifamily density bonus of an additional one (1) unit per acre for a total of ten (10) units per acre. The affordable multifamily density bonus is awarded provided the following criteria are met:

a. Definitions:
   **Affordable multifamily unit:** A multifamily unit which is available to a household earning one hundred (100) percent or less of the county’s median income, adjusted for family size, which can be rented or purchased in the market without spending more than thirty (30) percent of its income.

   **Land Use restriction agreement:** A deed restriction which establishes the responsibilities of the developer and his successors.

   **Low income household:** A household in the county which earns less than eighty (80) percent of the county’s median income, adjusted for family size.

   **Moderate income household:** A household in the county which earns eighty (80) to one hundred (100) percent of the county’s median income, adjusted for family size.

b. At least ten (10) percent of the project’s units must be designed as affordable multifamily units for low and moderate income households. A maximum of thirty (30) percent of the project’s units may be designated as affordable housing for low income households and a maximum of thirty (30) percent of the project’s units may be designated for moderate income households. A minimum of forty (40) percent of the units must remain market rate units.

c. The maximum percentages listed above for low to moderate income units may not be exceeded for a minimum of a fifteen-year period. To insure compliance with this
provision, the property owner shall execute a land use restriction agreement with the county, which specifies the low to moderate income occupancy requirements for the property, including the number of rental units which will be subject to affordability provisions, the rent limits, the income limits proposed, and the affordability period. The land use restriction agreement shall require the developer and his successors to submit an annual report to the county for the purpose of monitoring compliance with the agreement.

The allowance of an up to 11% density bonus for affordable housing projects provides for the development of affordable housing projects with higher densities and/or higher yields. These provisions are appropriate tools for providing density increases for affordable housing projects.

Though not typically used, the inclusion in the LDC of cluster housing provides an additional tool, through an accompanying Planned Unit Development zoning designation, to accomplish higher densities and preserve open space than would otherwise be accomplished through a standard zoning category within the LDC. It is anticipated that other options will be explored as part of the County’s Comprehensive Plan update process and the update to the Land Development Code that will follow.

Flagler County will make an allowance of flexibility in densities for affordable housing in the land use planning process, subject to maintaining consistency with the County Comprehensive Plan and Florida Statutes.

E. The reservation of infrastructure capacity for housing for very low income persons, low income persons, and moderate income persons.

The Flagler County Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity available to serve the development. These requirements are contained in Article VIII, Consistency and Concurrency Determination, of the County’s LDC. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive plan. In Flagler County, there is only one type of concurrency certificate. The Certificate requires a payment of 25% of the impact fees to reserve the capacity.

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. In Flagler County, there is sufficient capacity in all concurrency-related facilities to accommodate development projects. Therefore, reserving capacity upfront is not a critical issue at this time. To reserve capacity for one project, however, means that the reserved capacity is not available for other projects.

F. The allowance of affordable accessory residential units in residential zoning districts.

Through its Land Development Code, Flagler County permits the construction of a guest quarters in the Agriculture zoning district with Special Exception approval by the Planning Board.

Flagler County will make an allowance of affordable accessory residential units pursuant to
Section 163.31771 Florida Statutes, for extremely-low-income, very-low income, low income, or moderate-income persons as (as defined in Section, 420.0004, Florida Statutes) in residential zoning districts in the upcoming revisions of the Flagler County Land Development Code, including making provisions for “mother-in-law” or “caretaker family suites.” (currently not included in all residential districts in the LDC and consistent with Board of County Commission action on February 1, 2010 amending Chapter 19 of the Flagler County Code). The latter would be in areas to be located within a single family home while the “affordable accessory residential units” would be a separate unit.

G. **The reduction of parking and setback requirements for affordable housing.**

As structured, the County’s Land Development Code (LDC) establishes minimum setback and lot size requirements for both single family residential zoning districts and multiple family residential zoning districts. These setback requirements provide a standard separation between houses and between houses and roadways. Certain zoning districts found within the LDC have smaller setbacks, some (R-1c and R-1d zoning districts) with zero lot line setbacks on the side property lines. Affordable housing projects could use those specific zoning districts to utilize the side setback requirement. There is also the option to rezone to the PUD zoning district, which gives you the ability to create customized setback and parking requirements.

While rear yard setbacks typically run from 20 feet to 15 feet, the minimum front yard setback on all single family homes from the edge of right-of-way is twenty five (25) feet. This setback distance allows for cars to be parked in the driveway and not block the sidewalk or impede pedestrian movement.

For residential uses, the county requires two parking spaces for each dwelling unit. This requirement is detailed in LDC Section 3.06.04 as follows:

A. **Off-street parking space requirements.**
   1. Single and two-family dwellings: Two (2) spaces per dwelling unit.
   2. Multi-family dwellings: One and one-half (1.5) spaces per dwelling unit (one bedroom units); one and three-quarters (1.75) spaces per dwelling unit (two-bedroom units): two (2) spaces per dwelling unit (three (3) bedrooms or more).  
   3. Planned unit development: Shall meet the space requirements of that particular occupancy. (Exception: The parking requirements of non-residential uses in a PUD may be approved by the county commission)

To ensure health and safety, all residential development must meet current minimum parking and setback requirements (or received appropriate variances) for the appropriate zoning district as established in the County’s LDC. For example, the County’s 25 foot minimum front yard setback provides enough distance for parking a vehicle in a driveway without the vehicle projecting into the sidewalk. Reducing or eliminating parking requirements will force residents to park in roadway rights-of-way. This can create safety issues unless minimum mandatory widths are increased.

H. **The allowance of flexible lot configurations, including zero lot line configurations for affordable**
housing.

Certain zoning districts are in existence to create smaller lot sizes. Flagler County does have the ability in the Land Development Code for zero lot lines as side yard setbacks in three zoning districts: R-1c, R-1d, and PUD. The PUD zoning district gives a developer the ability to create customized dimensional requirements, along with parking and setback requirements.

Generally, the PUD rezoning and site plan process serve as a mechanism whereby the county can approve projects with reduced setbacks and/or mixed uses. The advantage of using the PUD district instead of traditional zoning is that an applicant can increase or at least maximize his development project’s density. In the PUD district, however, there are development required trade-offs, such as additional landscaping, which are required to gain the waivers for smaller lots and higher yield. These trade-offs can have the effect of off-setting any housing unit price reductions due to increasing yield.

Flagler County will consider including new language to expedite permitting through subdivision and site design when the Flagler County Land Development Code is rewritten.

I. The modification of street requirements for affordable housing.

As adopted, the County’s existing sidewalk and street requirements provide for minimum construction standards to ensure public safety. Section 4.06.02(D) (2) (Subdivision Improvement and Design Standards) of the LDC sets the minimum right-of-way width for a local or residential street at 50 feet. However, minimum lane widths are 11 feet. The following is the county’s current minimum right-of-way requirement:

4.06.02 Roads

D. Minimum Subdivision Road Right-of-Ways Widths.

1. All subdivision roads shall be provided with sufficient right-of-way or easement width by dedication to contain their entire construction and their appurtenances, including drainage facilities, ditches, slopes, sight distance and traffic control devices.
2. The minimum right-of-way for vehicular travel is fifty (50) feet.
3. Specific right-of-way requirements are defined in the public works manual and are dependent upon the required typical section for anticipated traffic volume.
4. Subdivision roads shall be designed and constructed in accordance with Flagler County Standards and Specifications as contained in its public works manual.

As structured, the County’s minimum street right-of-way width requirements are based on the minimum area needed to accommodate the various improvements that must be located in the right-of-way. Besides travel lanes, sidewalks, and drainage facilities, these improvements include
water and sewer lines, gas lines, phone lines, cable lines, and others. Since the referenced improvements must be provided for in the road right-of-way, the County has determined that the minimum right of way width must be 50 feet.

At 50 feet, the County’s minimum local road right-of-way width requirement is minimal. Consequently, no right-of-way width modification is necessary. County staff feels that the 50-foot minimum right-of-way width is already the minimum relieve that could be considered and still furthers the combined goals of protecting the health, safety, and general welfare while promoting the provision of affordable housing. In sum, the Statute appears to require that the County address a modification of street requirements and County staff feels that the minimum width already provided for within the County’s Code is the minimum that can be considered, hence requiring no modification to the Code specific to reducing right-of-way width to promote the provision of affordable housing.

J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing.

Beginning in July 2007 then every three (3) years thereafter, Flagler County is required to prepare an inventory list of all real property within its jurisdiction to which the county holds fee simple title and is appropriate for use as affordable housing. The Board through their review of the inventory list and input from staff and the general public found that none of the county-owned properties were appropriate for affordable housing.

Consistent with state law, the Board of County Commissioners reviewed and approved an inventory list of county owned properties. Of all the properties on that list, none were determined to be appropriate for affordable housing.

However, the County recognizes and acknowledges that donating county-owned surplus lands to non-profit housing organizations would reduce the cost of affordable housing units on the donated properties and is an appropriate affordable housing tool and will continue to evaluate the inventory of county owned surplus properties for appropriate affordable housing sites.

K. The support of development near transportation hubs and major employment centers and mixed-use developments.

In Flagler County, the Future Land Use Map (FLUM) identifies areas appropriate for residential development and the appropriate density for those areas. The objective of the FLUM is to create a land use pattern that situates residential development in close proximity to schools, health care facilities, employment centers, and major roadways.

In Flagler County, the FLUM is an important tool in establishing appropriate locations for
residential development. Generally, the map provides for residential development to be located near compatible land uses, existing neighborhoods, and proximate to public transportation, major employment centers, and community services. Ideally, affordable housing projects should be located near employment centers and transportation hubs for additional savings in terms of transportation cost and travel time. For that reason, the county supports locating affordable housing developments near transportation hubs, major employment centers and mixed use developments by expediting the permit process for these types of housing projects.

LHAP Incentive Strategies – City of Palm Coast

A. Expedited Permitting
The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s.163.3177(6)(f)(3).

Development Orders and Permits for affordable housing projects will be expedited to a greater degree than other projects by standard custom and practice. All rehabilitation and replacement home construction projects will be processed through the expedited permit strategy. The Community Development Director or designee will shepherd applications through each level of review that are considered an affordable housing project. For the purpose of the expedited permit process, affordable housing projects will be identified as those projects assisted with state or federal housing funds as confirmed by the Flagler County SHIP Administrator. Specifically, Policy 3.1.1.4 notes that expedited site plan review and permitting should be considered as an action to promote affordable housing. Expedite development orders and permits for affordable housing projects as described above.

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

Each year, before the adoption of any new ordinances, local governments are to determine the amount of increase in the cost of affordable housing by adopting any new ordinance or updating an existing ordinance that may impact the provision of housing. Then the local government is to report annually to the State regarding how much the cost of housing had increased through these actions. Before adopting a new ordinance to increase impact fees, the local government is to advise the amount of additional cost of housing within their jurisdiction.

Before adoption of any new regulations or policies, the City will determine the impacts of adopting such ordinance on the cost of housing. When applicable, staff will include an analysis of the impact of any policy, procedure, ordinance, regulation, or plan provision upon the cost of housing in the City.

As part of the staff report provided to City Council during the adoption review process for ordinances, an analysis is provided for benefit of the City Council and the public. This analysis is reviewed and included as part of the record, during a formal City Council public hearing process.
that results in consideration of all impacts of a proposed ordinance.

C. **The modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.**

Impact fees are one-time charges applied towards new construction to obtain revenues necessary to make capital improvements. Overall, these impact fees increase the cost of housing. Legally, impact fees must be applied to all activities that create a demand for capital facilities. Consequently, impact fees cannot be waived or reduced.

Waiving impact fees does not eliminate the cost of the infrastructure that the impact fees are designed to pay for. Either new development or existing residents must pay the cost of needed infrastructure improvements. If new development, which puts additional demand on county facilities and services, does not pay its fair share of infrastructure cost through impact fees, then existing residents will have to pay those costs through higher fees or taxes. To lessen the impact on affordable housing projects, the cost of impact fees may be paid by other funding sources.

Staff notes that the Educational Facilities Impact Fee Ordinance (adopted Countywide, including the City of Palm Coast) includes an exemption for low-income housing from educational facilities impact fees, when certain conditions are met.

Changes to fully implement this incentive are not recommended at this time because any reductions to impact fees for affordable housing units would result in higher taxes and housing costs for the rest of the City’s residents in order to provide the necessary infrastructure.

D. **The allowance of flexibility in densities for affordable housing.**

The future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across the board densities do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects.

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for flexible densities for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to allow for flexible densities.
E. The reservation of infrastructure capacity for housing for very-low income persons, low-income persons, and moderate-income persons.

Consistent with state law, the City’s Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity available to serve the development. These requirements are also contained in Chapter 7, Concurrency Management System, of the City’s ULDC. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive plan.

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. Like waiving impact fees, allowing reservation of capacities without payment for affordable housing projects is unfair to other development.

Changes to implement this incentive are not recommended at this time, since implementation would result in inequities.

F. The allowance of affordable accessory residential units in residential zoning districts.

The City of Palm Coast Unified Land Development Code (ULDC) does not permit the construction of accessory residential units in any residential zoning district.

Changes to implement this incentive are not recommended at this time.

G. The reduction of parking and setback requirements for affordable housing.

The City’s Unified Land Development Code (ULDC) establishes minimum setback and lot size requirements for both single family residential zoning districts and multiple family residential zoning districts. Each zoning district’s setback varies from another; these variations depend on the minimum lot width and minimum lots size for that zoning district. Affordable housing projects should identify those specific zoning districts to identify the most favorable setback requirements for a particular project. Developers of affordable housing also have the option to rezone and utilize the Master Planned Development (MPD) zoning district. This zoning district allows great flexibility in customizing setback and parking requirements.

For residential uses, the City requires two parking spaces for each single-family dwelling, duplex, and townhouse unit. For multifamily dwellings, the ULDC requires the following:

- 1 space per efficiency unit,
- 1.5 spaces per 1 bedroom,
- 2 spaces per 2 bedrooms and over, and
- 1 space per 4 units for guest parking.

Affordable housing developers also have the option of utilizing the Master Planned Development (MPD) zoning district. This zoning district provides flexibility in the required number of minimum
parking based on evidence that other standards would be more reasonable.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to reduce parking and setback requirements.

H. The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for an affordable housing developer to provide zero lot line configurations for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Additionally, the ULDC permits townhouse residential development. This type of development allows a developer to construct a minimum of three (3) attached units and a maximum of eight (8) attached units per building.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to allow for flexible lot configurations.

I. The modification of street requirements for affordable housing.

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for an affordable housing developer to modify street requirements for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to modify street requirements.

J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing. The City of Palm Coast will compile a list of all real property within its jurisdiction to which the city holds fee simple title and is appropriate for use as affordable housing.

Prepare an inventory of all city-owned property for analysis and determination of its appropriateness for affordable housing.
K. The support of development near transportation hubs and major employment centers and mixed-use developments.

The City of Palm Coast does not have any identifiable transportation hub. However, the City’s Comprehensive Plan and Future Land Use Map (FLUM) identify areas appropriate for mixed use development and appropriate for Village Center development. These village center areas are appropriate for developments with higher densities and intensities.

The purpose of the Mixed Use development designation is to provide opportunities for residents to work, shop, engage in recreational activities, attend school and religious services in reasonably close proximity to residential dwellings. Typically, affordable housing projects should be located strategically within proximity of services and employment opportunities. Development of affordable housing as part of a mixed use project or within proximity of available services and employment opportunities is encouraged and promoted by the comprehensive plan.

IV. EXHIBITS:

A. Administrative Budget for each fiscal year covered in the Plan

B. Timeline for Estimated Encumbrance and Expenditure

C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan

D. Signed LHAP Certification

E. Signed, dated, witnessed or attested adopting resolutions

F. Ordinance: (If changed from the original creating ordinance)

G. Interlocal Agreement

H. Flagler County Subordination Policy

I. Glossary of Terms/Statute Definitions

J. Additional Instructions & Information for Down Payment Assistance for Community Land Trust Purchases
<table>
<thead>
<tr>
<th>Estimated SHIP Funds for Fiscal Year:</th>
<th>$ 350,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>$ 32,000.00</td>
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<tr>
<td>Office Supplies and Equipment</td>
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<tr>
<td>Travel Per diem Workshops, etc.</td>
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</tr>
<tr>
<td>Advertising</td>
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</tr>
<tr>
<td>Other*</td>
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<td>Total</td>
<td>$ 35,000.00</td>
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<tr>
<td>Admin %</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

Fiscal Year: 2020-2021

Fiscal Year: 2021-2022

*All "other" items need to be detailed here and are subject to review and approval by the SHIP review committee. Project Delivery Costs that are outside of administrative costs are not to be included here, but must be detailed in the LHAP main document.

Details: Training, Conference Registration, Membership Fees, Recording Fees, and Postage
Exhibit B
Timeline for SHIP Expenditures

FLAGLER COUNTY affirms that funds allocated for these fiscal years will meet the following deadlines:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Encumbered</th>
<th>Expended</th>
<th>1st Year AR</th>
<th>2nd Year AR</th>
<th>Closeout AR</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Funds Not Encumbered</th>
<th>Funds Not Expended</th>
<th>1st Year AR Not Submitted</th>
<th>2nd Year AR Not Submitted</th>
<th>Closeout AR Not Submitted</th>
</tr>
</thead>
</table>

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

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

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

Other Key Deadlines:

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

### Homeownership

<table>
<thead>
<tr>
<th>Code</th>
<th>Qualifies for 75% set-aside</th>
<th>VLI Units</th>
<th>Max. SHIP Award</th>
<th>Li Units</th>
<th>Max. SHIP Award</th>
<th>Mod Units</th>
<th>Max. SHIP Award</th>
<th>New Construction</th>
<th>Without Construction</th>
<th>Total</th>
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</table>

**Total Homeownership**

- New: 7
- Existing: 4
- Total: 2
- Total: $345,000.00
- Total: 13

### Purchase Price Limits:

- New: $200,000
- Existing: $200,000

## Rental

<table>
<thead>
<tr>
<th>Code</th>
<th>Qualifies for 75% set-aside</th>
<th>VLI Units</th>
<th>Max. SHIP Award</th>
<th>Li Units</th>
<th>Max. SHIP Award</th>
<th>Mod Units</th>
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<td>13, 21, 26</td>
<td>No</td>
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<td>$0.00</td>
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</tr>
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</table>

**Total Rental**

- New: 0
- Existing: 0
- Total: 0

### Administration Fees

- $35,000
- 10%
- OK

### Home Ownership Counseling

- $-

**Total All Funds**

- $385,000

This total is over the allocation and will require less than the maximum amount be awarded per applicant.

## Set-Asides

<table>
<thead>
<tr>
<th>Set-Asides</th>
<th>Percentage</th>
<th>OK</th>
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</thead>
<tbody>
<tr>
<td>Percentage Construction/Rehab (75% requirement)</td>
<td>98.6%</td>
<td>OK</td>
</tr>
<tr>
<td>Homeownership % (65% requirement)</td>
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<td>OK</td>
</tr>
<tr>
<td>Rental Restriction (25%)</td>
<td>0.0%</td>
<td>OK</td>
</tr>
<tr>
<td>Very-Low Income (30% requirement)</td>
<td>$205,000</td>
<td>58.6%</td>
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<tr>
<td>Low Income (30% requirement)</td>
<td>$125,000</td>
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<tr>
<td>Moderate Income</td>
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<td>5.7%</td>
</tr>
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</table>

**OK** indicates that the percentage meets the requirement.
## Name of Local Government: FLAGLER COUNTY

### Estimated Funds (Anticipated allocation only):

<table>
<thead>
<tr>
<th>Code</th>
<th>Strategies</th>
<th>Qualifies for 75% set-aside</th>
<th>VLI Units</th>
<th>Max. SHIP Award</th>
<th>LI Units</th>
<th>Max. SHIP Award</th>
<th>Mod Units</th>
<th>Max. SHIP Award</th>
<th>New Construction</th>
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<th>Units</th>
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<td>$50,000</td>
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### Purchase Price Limits:

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<th>Units</th>
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<tbody>
<tr>
<td>13,23,26</td>
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### Administration Fees

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<tbody>
<tr>
<td>Home Ownership Counseling</td>
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<td></td>
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</tbody>
</table>

### Total All Funds

| $ 385,000 |

*This total is over the allocation and will require less than the maximum amount be awarded per applicant*

### Set-Asides

<p>| Percentage Construction/Rehab (75% requirement) | 98.6% | OK |
| Homeownership % (65% requirement)             | 100.0% | OK |
| Rental Restriction (25%)                      | 0.0%  | OK |
| Very-Low Income (30% requirement)             | $205,000 | 58.6% | OK |
| Low Income (30% requirement)                  | $125,000 | 35.7% | OK |
| Moderate Income                               | $20,000  | 5.7%  | OK |</p>
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Set-Asides

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<td>Homeownership %</td>
<td>100.0%</td>
<td>(65%</td>
<td>OK</td>
</tr>
<tr>
<td>Rental Restriction</td>
<td>0.0%</td>
<td>(25%)</td>
<td>OK</td>
</tr>
<tr>
<td>Very-Low Income</td>
<td>$205,000</td>
<td>(30%</td>
<td>OK</td>
</tr>
<tr>
<td>Low Income</td>
<td>$125,000</td>
<td>(30%</td>
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</tr>
<tr>
<td>Moderate Income</td>
<td>$20,000</td>
<td>(5.7%)</td>
<td>OK</td>
</tr>
</tbody>
</table>
CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION

Local Government or Interlocal Entity: FLAGLER COUNTY

Certifies that:

(1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, Florida Statutes.

(2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.

(3) A process to determine eligibility and for selection of recipients for funds has been developed.

(4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.

(5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).

(6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.

(7) The LHAP conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the LHAP.

(8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.

(9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.

(10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.

(11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements (CAFR). An electronic copy of the CAFR or a hyperlink to the document shall be provided to Florida Housing by June 30 of the applicable year.
(12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.

(13) SHIP funds will not be pledged for debt service on bonds.

(14) Developers receiving assistance from both SHIP and the Low Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.

(15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.

(16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). To the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility.

(17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.

(18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).

Witness

Chief Elected Official or designee

Witness

Print Name and Title

Date

OR

Attest: (Seal)
RESOLUTION 2019 - 27

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

* * * * * * * *

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

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

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

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

WHEREAS, as required by s. 420.9075, Florida Statutes, the Flagler County Board of County Commissioners (Flagler County) determines that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan; and

WHEREAS, Flagler County further determines, consistent with s. 420.9075, Florida Statutes, that the
cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund; and

WHEREAS, the Affordable Housing Advisory Committee prepared, and on March 4, 2019 Flagler County approved, the three-year LHAP for submission to the Florida Housing Finance Corporation (FHFC); and

WHEREAS, FHFC recommended further changes to the LHAP regarding homeownership in the County’s down payment assistance strategy; and

WHEREAS, Flagler County finds that it is in the best interest of the public for the Flagler County to approve the LHAP updated to incorporate the recommendations of FHFC, so as to qualify for said documentary stamp tax funds; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF FLAGLER COUNTY, FLORIDA that:

Section 1: The above recitals are incorporated herein as findings of fact.

Section 2: The Flagler County Board of County Commissioners hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto, for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for fiscal years 2019-2020 through 2021-2022.

Section 3: The Chair is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.

Section 4: This resolution shall take effect immediately upon its adoption.
PASSED AND ADOPTED this 3rd Day of June 2019.

ATTEST:

Tom Bexley, Clerk of the Circuit Court and Comptroller

Donald T. O’Brien Jr., Chair

Approved as to Form:

Al Hadeed, County Attorney
RESOLUTION 2019-64
SHIP - LHAP

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA APPROVING THE STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM LOCAL HOUSING ASSISTANCE PLAN (LHAP) AS AMENDED FOR FY 2020-2022 AS REQUIRED BY THE SHIP PROGRAM ACT, SUBSECTIONS 420.907 THROUGH 420.9079, FLORIDA STATUTES, AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR IMPLEMENTING ACTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

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

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

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

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

WHEREAS, as required by section 420.9075, F.S. It is found that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), and eligible...
municipalities receiving a local housing distribution of up to $350,000 may use up to 10 percent of program income for administrative costs.

WHEREAS, the Flagler County SHIP Administrator with assistance from the Flagler County Affordable Housing Advisory Committee (AHAC) has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

WHEREAS, the City Council finds that it is in the best interest of the public for the City of Palm Coast to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM COAST, FLORIDA:

SECTION 1. APPROVAL OF PLAN. The City Council of the City of Palm Coast, Florida hereby approves the Local Housing Assistance Plan, as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420-9079, Florida Statutes, for Fiscal Years 2020-2022.

SECTION 2. SEVERABILITY:
If any section or portion of a section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other section or part of this Resolution.

SECTION 3. SEVERABILITY. All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION 4 IMPLEMENTING ACTIONS. The City Manager is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the term and conditions of said program.
SECTION 5 EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

DULY PASSED AND ADOPTED by the City Council of the City of Palm Coast, Florida, on this 18th day of June 2019.

CITY OF PALM COAST, FLORIDA

[Signature]
MILISSA HOLLAND, MAYOR

ATTEST:

[Signature]
VIRGINIA A. SMITH, CITY CLERK

Attachments: Exhibit “A” – FY 2020-2022 Local Housing Assistance Plan

Approved as to form and legality

[Signature]
William E. Reischmann, Jr., Esq.
City Attorney
INTERLOCAL AGREEMENT FOR THE
JOINT LOCAL HOUSING ASSISTANCE PROGRAM

This INTERLOCAL AGREEMENT ("Agreement") is made and entered into by
and between FLAGLER COUNTY, a political subdivision of the State of Florida (the
"County"), whose address is 1769 East Moody Boulevard, Building 2, Bunnell, FL
32110, and the CITY OF PALM COAST, a Florida municipal corporation ("City"), whose
address is 160 Cypress Point Parkway, Suite B-106, Palm Coast, FL 32164, hereinafter
collectively referred to as "the Parties."

WITNESSETH

WHEREAS, the City and County desire to cooperate in order to provide for the
housing needs of their citizens efficiently and in the most cost effective manner; and

WHEREAS, the State Housing Initiative Partnership Act, Florida Statutes §§ 420-
907 - 420-9079 ("SHIP"), provides for the establishment of local housing assistance
programs; and

WHEREAS, Flagler County is an approved county and the City of Palm Coast is
an eligible municipality within Flagler County, Florida to provide local housing
assistance under SHIP; and

WHEREAS, the Parties wish to provide for the housing needs of their citizens,
and to promote the efficient location, design, and provision of affordable housing; and

WHEREAS, the County has an established local housing assistance program
and qualified staff who manage the program; and

WHEREAS, the City is eligible to receive direct disbursements as authorized by
SHIP and is eligible to establish a local housing assistance program; and

WHEREAS, the City and County wish to provide housing assistance to those
areas with the greatest needs regardless of jurisdictional boundaries; and

WHEREAS, SHIP encourages the establishment of joint local housing assistance
programs, and provides for the entering into of interlocal agreements for the
establishment and implementation of such joint programs; and

WHEREAS, the Parties wish to establish a joint local housing assistance
program for the purpose of establishing and implementing a more comprehensive local
housing assistance program; and

WHEREAS, SHIP authorizes monies to be distributed to approved counties and
eligible municipalities within the county pursuant to an interlocal agreement; and
WHEREAS, the Parties desire to distribute monies available under SHIP pursuant to this Agreement and to provide for the County's implementation and administration of SHIP's requirements; and

WHEREAS, the Parties desire to distribute other funding that may become available for housing programs consistent with this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

1. Definitions. For the purposes of this Agreement, the definitions contained in SHIP and Chapter 67-37, Florida Administrative Code, as they may be amended from time to time, are adopted herein by reference.

2. Establishment of Joint Local Housing Assistance Program. The Parties agree to establish a joint local housing assistance program ("Program"), pursuant to the requirements of §§ 420.907 - 420.9079, Florida Statutes, or any amended or successor statute, and other applicable law. The Program shall consist of the County's current Local Housing Assistance Plan (LHAP) which shall be adopted by resolution of each of the Parties. The LHAP shall only be amended by resolution of each of the Parties pursuant to the provisions of SHIP. Technical revisions shall be approved by resolutions of the Parties. Incentive Strategies applicable to the City shall be included in the LHAP by May 2, 2010. The Parties agree to cooperate in developing future joint updates to the LHAP.

3. Administration of the Program. The County shall be solely responsible for the administration and implementation of the Program in accordance with the provisions of SHIP.

   a. The County shall prepare and provide the City one annual report consistent with Florida Statutes.

   b. The County shall establish, or cause to be established, all of the administrative criteria or requirements necessary or desirable to implement SHIP.

4. Administration of Trust Fund. The County has established a specially designated and dedicated Affordable Housing Assistance Trust Fund ("Trust Fund") within the official fiscal and accounting records of the County. All monies received from the state on behalf of the City or the County pursuant to SHIP, and any funds received or budgeted on behalf of the City or the County to provide funding for the Program, shall be deposited into the Affordable Housing Assistance Trust Fund County's Trust Fund.

   a. The Parties agree that under SHIP, the amount allowed for administrative costs does not cover the County's current costs associated with administering the program. If changes occur to SHIP to allow for additional
funds for administrative costs, the Parties agree to take all actions necessary to ensure that the County’s costs associated with administering the program are reimbursed through SHIP to the maximum extent possible.

The Parties agree to take all actions necessary to maximize the amount (or percentage) of administrative costs allowable pursuant to SHIP.

b. Any required audit shall be performed in accordance with the provisions of SHIP, as well as the provisions of Sections 218.39 and 215.97, Florida Statutes, or any amended or successor statute, as well as Chapter 10.550, Rules of the Auditor General.

5. Distribution of Funds Available Pursuant to SHIP / Affordable Housing Programs. All monies available to the City and the County pursuant to SHIP or other affordable housing programs shall be distributed to the County as provided in the SHIP Act or other affordable housing program regulations.

a. Directions to Corporation. The City and the County direct the Florida Housing Finance Corporation (the "Corporation") or any other affordable housing agencies to distribute the monies allocated in accordance with this Agreement.

b. Deposit of Funds. The monies distributed by the Corporation or any other affordable housing agency will be deposited into the Affordable Housing Assistance Trust Fund Flagler County Trust Fund.

c. The Corporation or other agency shall be notified by the Parties of any change in this Agreement.

d. The County shall administer and distribute the funding in accordance with the adopted LHAP pursuant to the provisions of the SHIP Act or any other applicable regulation and this Agreement.

e. The City and County wish to provide housing assistance—regardless of jurisdictional boundaries, and therefore will not restrict the distribution of SHIP Program funds to any particular jurisdictional boundary.

f. The County shall utilize good faith efforts to recapture SHIP Program funding. The County shall return all recaptured and recycled SHIP Program funds into the Affordable Housing Assistance Trust Fund Flagler County Trust Fund.

6. Expenditure of Funds Available Pursuant to SHIP. The County will ensure that SHIP funds disbursed from the Affordable Housing Assistance Trust Fund Flagler County Trust Fund are at all times expended in accordance with SHIP's
requirements, provide income verification and certification for all applicants for SHIP funding assistance, monitor and determine applicant eligibility and the amount of SHIP funding assistance pursuant to SHIP’s guidelines.

7. Appointment to Flagler County Affordable Housing Advisory Committee (“AHAC”). As vacancies occur on AHAC, the City and County shall share in the appointment of members to fill those seats whenever possible on an alternating basis, and the positions shall be filled with representatives from the various industry groups specified in the SHIP Act as may be amended from time to time. The first appointment following the approval of this Agreement shall be by the City. To the extent possible, representation on AHAC shall be roughly divided between City and County appointees.

8. Modification of Agreement. This Agreement may only be modified by written agreement of the Parties and adopted with the same formalities as the adoption of this Agreement. Amendments to the Program or this Agreement shall not become effective until reviewed and approved in accordance with SHIP.

9. Administration of Other Available Funds for Affordable/Workforce Housing Program. Upon mutual agreement of the Parties, the City may transfer to the County any other available funds dedicated for implementation of affordable/workforce housing programs or projects. Expenditure of such funds shall be for programs or projects within the municipal boundaries of the City.

10. Cooperation and Coordination of other Federal/State Programs. The City at its discretion may elect to participate in other Federal/State Programs (i.e. CDBG, Neighborhood Stabilization Program, etc.) provided no such program operates through the County or the joint City/County LHAP without the mutual consent of the Parties. The City may elect to coordinate with the County to implement and share the administration costs of such programs with the County. Agreements for such cooperative efforts shall be memorialized in a Memorandum of Agreement between the City Manager and the County Administrator.

11. Term and Termination of Agreement.

a. Term of Agreement. The term of this Agreement shall run concurrently with the distribution of monies pursuant to the Act (which is currently based on the fiscal year of the State of Florida, i.e. July 1 through June 30), unless earlier terminated pursuant to other provisions of this Agreement. For so long as this Agreement remains effective, the Parties agree that they will not do anything to jeopardize the other Party’s right to receive its distributions pursuant to SHIP.

b. Termination of Agreement. No later than January 1 of each year, the City or the County may elect to terminate this agreement without cause by providing written
notice of termination to the other Party. In the event of a notice of termination, this Agreement shall terminate and be of no further force or effect as to either Party on July 1 of the year following the receipt of the termination notice; provided, however, that all Program funds (which includes the state distribution and program income received) by the County prior to the date of termination shall continue to be governed by the provisions of this Agreement as if the termination had not occurred. In the event of a termination, the Parties agree to mutually advise the Corporation of the termination of this Agreement, and to provide for the continued orderly payment of those funds to be distributed pursuant to SHIP necessary to fulfill outstanding encumbrances, if any.

12. Interpretation. The language of this Agreement has been agreed to by both Parties to express their mutual intent and no rule of strict construction shall be applied against either Party. The headings contained in this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement.

13. Notices. Whenever either Party desires to give notice unto the other, such notice must be in writing, sent by registered United States mail, return receipt requested, addressed to the Party for whom it is intended at the place specified below. The place for giving of notice shall remain the same until it shall have been changed by written notice in compliance with the provision of this paragraph. For the present, the Parties designate the following as the respective place for giving of notice:

FOR FLAGLER COUNTY:

Flagler County
County Administrator
1769 E. Moody Blvd., Bldg. #2, Suite #302
Bunnell, Florida 32110

With copy to:
SHIP Administrator, Office of Financial Services
1769 E. Moody Blvd., Bldg. #2, Suite #307
Bunnell, Florida 32110

FOR THE CITY OF PALM COAST:

City of Palm Coast
City Manager
160 Cypress Point Parkway, Suite B-106
Palm Coast, Florida 32164

With copy to:
Director of Community Development
160 Cypress Point Parkway, Suite B-106
Palm Coast, Florida 32164
14. Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid, illegal, or unenforceable shall be severable and shall not be construed to render the remainder to be invalid, illegal, or unenforceable.

15. Effective Date. The effective date of this Agreement shall be the date upon which both Parties have approved this Agreement or July 1, 2009, whichever occurs later.

16. Liability. Nothing is intended to serve as a waiver of sovereign immunity by any Party to which sovereign immunity may be applicable. Nothing shall be construed as consent by a state agency or political subdivision of the State of Florida to be sued by third parties in any matter arising out of this Agreement or any other contract. All Parties are municipal corporations or political subdivisions of the State of Florida as defined in Section 768.28, Florida Statutes, or any amended or successor statute, and agree to be fully responsible for acts and omissions of their agents or employees to the extent permitted by law.

17. Limitations of Agreement. It is not the intent of this agreement to change the jurisdiction of the Parties in any manner except as specifically provided. All other policies, rules, regulations and ordinances of the Parties will continue to apply as to properties located within the jurisdictional boundaries of each Party.

18. Filing of Interlocal Agreement. Pursuant to the provisions of Section 163.01 (11), Florida Statute, this Interlocal Agreement shall be filed with the Clerk of the Circuit Court in and for Flagler County, Florida.

19. Employee Status. Persons employed by either Party in the performance of services and functions pursuant to this Agreement shall not be deemed to be employees of the other Party nor shall they have any claim to pension, worker's compensation, civil service or other employee rights or privileges granted by the other Party to its officers and employees.

IN WITNESS WHEREOF, the Parties have made and executed this Agreement on the respective dates under each signature.

ATTEST:

[Signature]
Gail Wadsworth, Clerk and Ex Officio Clerk of the Board

BOARD OF COUNTY COMMISSIONERS,
OF FLAGLER COUNTY, FLORIDA

[Signature]
Milissa Holland, Chair
Date: April 10, 2009

Approved as to form:

[Signature]
Page 6 of 7

CAO
SUBORDINATION POLICY

1. Flagler County may subordinate SHIP, NSP, or CDBG loans to lending institutions.

2. Requests for subordination must be in writing from the lending institution and submitted to:

   **SHIP Administrator, Flagler County Board of County Commissioners**
   **1000 Belle Terre Boulevard, Palm Coast, FL 32164.**

3. Requests for subordination must be approved by the Affordable Housing Advisory Committee. Before this is done, the following documents and information must be provided to the SHIP Administrator.

   - Proof of licensure to do business in the State of Florida.
   - Authorization for Release of Information signed by the homeowner (signatures will be verified).
   - Reason for the Subordination request.
   - Supporting documentation as to the validity of the reason.
   - A Good Faith Estimate.
   - Complete terms and conditions of the new loan.
   - Whether the taxes and insurance payments are included in the new loan or whether the homeowner will be responsible for them.
   - Whether or not any of the homeowner’s equity will be used to pay bills for to consolidate debts.

   Note: Consideration will not be given to any request for waiver of the subordination policy without this information. Additional information may be required.

1. The County will only agree to subordinate for proven hardship. **Credit card debt is not a basis for subordination.** Subordination takes a minimum of two weeks for the item to be placed on the agenda of the Affordable Housing Advisory Committee to approve and authorize the subordination. After approval, it takes an additional two weeks for the County Attorney and relevant Chair of the Board of County Commissioners to sign the document. The lending institution is responsible for recording the subordination document within 45 days of receipt.

2. Requests for subordination will be reviewed and a decision made on a case-by-case basis on such merits as the following:
   - Emergency needs arising out of natural disasters
   - Emergency repairs which eliminate a threat to the health and safety of the occupants or that eliminate an immediate or imminent danger to the dwelling itself.
   - Refinancing to lower the interest rate on the first mortgage if the closing costs and/or fees can be recovered within 4 years.
   - Refinancing for educational purposes.
   - Refinancing for medical emergencies.
   - If there is sufficient equity to support all outstanding mortgages.

3. Requests for subordination will not be considered under the following conditions:
   - The Loan to Value ratio exceeds 100%
   - The Housing Debt to Income ratio exceeds 33%
   - The Total Debt to Income ratio exceeds 40%
   - The mortgage lender and applicant fail to provide all required documentation.
Exhibit H – Increasing Durability and Accountability of Affordable Housing Stock

The County is experiencing foreclosures of some of the properties financed with SHIP funding. While these outcomes are regrettable, the County has learned through working on the cases that there are early warning signs or circumstances that the County can use to either assist the SHIP subsidized homeowner or to assure compliance with the County’s mortgage documents or SHIP rules.

When a SHIP property goes to a foreclosure sale, the County is unable in nearly all circumstances to bid on the property. This can mean a primary lending institution retakes the title and resells the property to another or that a person bids on the property and becomes owner. In these circumstances, there may be a loss of the inventory of affordable homes for SHIP eligible citizens.

For warning signs the County can institute reviews of the properties to assure that property taxes are paid timely by working in cooperation with the Tax Collector. The County can also institute a review process to assure that homeowner insurance renewals are occurring. The failure to timely pay taxes or renew insurance are indicators of problems in the housing unit. This will allow intervention and support to assess problems and implement solutions that may help that homeowner to avoid loss of the housing unit.

The County also has found that some properties are not being occupied by the SHIP recipient but others, including those who may rent from the SHIP owner. These are situations that are violations of SHIP and mortgage rules. Some of this activity can be picked up by the Property
Appraiser whose offices validate homestead exemptions. The County could track for its SHIP homeowners the homestead status, including whether the owner has filed for the exemption. The County has found in some cases that the owner has not kept up the owner's homestead status and are paying higher taxes than are required of them when they are already financially constrained.

The County will look at the present procedures and terms of our mortgage documents to explore modifications. The County will attempt to establish a tracking system to have the data that will help avert foreclosures and violations of the County's SHIP standards. As these mechanisms and modifications are developed, they will be shared with the County's advisory committee.
The 2018 Florida Statutes

Title XXX
SOCIAL WELFARE

Chapter 420
HOUSING

420.0004 Definitions.—As used in this part, unless the context otherwise indicates:

1. “Adjusted for family size” means adjusted in a manner which results in an income eligibility level which is lower for households with fewer than four people, or higher for households with more than four people, than the base income eligibility determined as provided in subsection (9), subsection (11), subsection (12), or subsection (17), based upon a formula as established by the United States Department of Housing and Urban Development.

2. “Adjusted gross income” means all wages, assets, regular cash or noncash contributions or gifts from persons outside the household, and such other resources and benefits as may be determined to be income by the United States Department of Housing and Urban Development, adjusted for family size, less deductions allowable under s. 62 of the Internal Revenue Code.

3. “Affordable” means that monthly rents or monthly mortgage payments including taxes, insurance, and utilities do not exceed 30 percent of that amount which represents the percentage of the median adjusted gross annual income for the households as indicated in subsection (9), subsection (11), subsection (12), or subsection (17).


5. “Community-based organization” or “nonprofit organization” means a private corporation organized under chapter 617 to assist in the provision of housing and related services on a not-for-profit basis and which is acceptable to federal and state agencies and financial institutions as a sponsor of low-income housing.


7. “Disabling condition” means a diagnosable substance abuse disorder, serious mental illness, developmental disability, or chronic physical illness or disability, or the co-occurrence of two or more of these conditions, and a determination that the condition is:
   (a) Expected to be of long-continued and indefinite duration; and
   (b) Not expected to impair the ability of the person with special needs to live independently with appropriate supports.

8. “Elderly” describes persons 62 years of age or older.

9. “Extremely-low-income persons” means one or more natural persons or a family whose total annual household income does not exceed 30 percent of the median annual adjusted gross income for households within the state. The Florida Housing Finance Corporation may adjust this amount annually by rule to provide that in lower income counties, extremely low income may exceed 30 percent of area median income and that in higher income counties, extremely low income may be less than 30 percent of area median income.

10. “Local public body” means any county, municipality, or other political subdivision, or any housing authority as provided by chapter 421, which is eligible to sponsor or develop housing for farmworkers and very-low-income and low-income persons within its jurisdiction.

11. “Low-income persons” means one or more natural persons or a family, the total annual adjusted gross household income of which does not exceed 80 percent of the median annual adjusted gross income for households within the state, or 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the person or family resides, whichever is greater.
(12) “Moderate-income persons” means one or more natural persons or a family, the total annual adjusted gross household income of which is less than 120 percent of the median annual adjusted gross income for households within the state, or 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the person or family resides, whichever is greater.

(13) “Person with special needs” means an adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under s. 409.1451(5); a survivor of domestic violence as defined in s. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits.

(14) “Student” means any person not living with his or her parent or guardian who is eligible to be claimed by his or her parent or guardian as a dependent under the federal income tax code and who is enrolled on at least a half-time basis in a secondary school, career center, community college, college, or university.

(15) “Substandard” means:
(a) Any unit lacking complete plumbing or sanitary facilities for the exclusive use of the occupants;
(b) A unit which is in violation of one or more major sections of an applicable housing code and where such violation poses a serious threat to the health of the occupant; or
(c) A unit that has been declared unfit for human habitation but that could be rehabilitated for less than 50 percent of the property value.

(16) “Substantial rehabilitation” means repair or restoration of a dwelling unit where the value of such repair or restoration exceeds 40 percent of the value of the dwelling.

(17) “Very-low-income persons” means one or more natural persons or a family, not including students, the total annual adjusted gross household income of which does not exceed 50 percent of the median annual adjusted gross income for households within the state, or 50 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the person or family resides, whichever is greater.

History.—s. 2, ch. 88-376; s. 1, ch. 89-121; s. 13, ch. 90-275; s. 72, ch. 2000-153; s. 36, ch. 2004-357; ss. 44, 53, ch. 2006-26; s. 14, ch. 2006-69; s. 323, ch. 2011-142; s. 7, ch. 2011-189.
The 2018 Florida Statutes

Title XXX
SOCIAL WELFARE

Chapter 420
HOUSING

420.9071 Definitions.—As used in ss. 420.907-420.9079, the term:

1. “Adjusted for family size” means adjusted in a manner that results in an income eligibility level that is lower for households having fewer than four people, or higher for households having more than four people, than the base income eligibility determined as provided in subsection (19), subsection (20), or subsection (28), based upon a formula established by the United States Department of Housing and Urban Development.

2. “Affordable” means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

3. “Affordable housing advisory committee” means the committee appointed by the governing body of a county or eligible municipality for the purpose of recommending specific initiatives and incentives to encourage or facilitate affordable housing as provided in s. 420.9076.

4. “Annual gross income” means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 5; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes or as defined by standard practices used in the lending industry as detailed in the local housing assistance plan and approved by the corporation. Counties and eligible municipalities shall calculate income by annualizing verified sources of income for the household as the amount of income to be received in a household during the 12 months following the effective date of the determination.

5. “Award” means a loan, grant, or subsidy funded wholly or partially by the local housing assistance trust fund.

6. “Community-based organization” means a nonprofit organization that has among its purposes the provision of affordable housing to persons who have special needs or have very low income, low income, or moderate income within a designated area, which may include a municipality, a county, or more than one municipality or county, and maintains, through a minimum of one-third representation on the organization’s governing board, accountability to housing program beneficiaries and residents of the designated area. A community housing development organization established pursuant to 24 C.F.R. s. 92.2 and a community development corporation created pursuant to chapter 290 are examples of community-based organizations.


8. “Eligible housing” means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the Florida Building Code or previous building codes adopted under chapter 553, or manufactured housing constructed after June 1994 and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway...
Safety and Motor Vehicles, for home ownership or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program.

(9) “Eligible municipality” means a municipality that is eligible for federal community development block grant entitlement moneys as an entitlement community identified in 24 C.F.R. s. 570, subpart D, Entitlement Grants, or a nonentitlement municipality that is receiving local housing distribution funds under an interlocal agreement that provides for possession and administrative control of funds to be transferred to the nonentitlement municipality. An eligible municipality that defers its participation in community development block grants does not affect its eligibility for participation in the State Housing Initiatives Partnership Program.

(10) “Eligible person” or “eligible household” means one or more natural persons or a family determined by the county or eligible municipality to be of very low income, low income, or moderate income according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household.

(11) “Eligible sponsor” means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

(12) “Grant” means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially assist in the construction, rehabilitation, or financing of eligible housing or to provide the cost of tenant or ownership qualifications without requirement for repayment as long as the condition of award is maintained.

(13) “Loan” means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially finance the acquisition, construction, or rehabilitation of eligible housing with requirement for repayment or provision for forgiveness of repayment if the condition of the award is maintained.

(14) “Local housing assistance plan” means a concise description of the local housing assistance strategies and local housing incentive strategies adopted by local government resolution with an explanation of the way in which the program meets the requirements of ss. 420.907-420.9079 and corporation rule.

(15) “Local housing assistance strategies” means the housing construction, rehabilitation, repair, or finance program implemented by a participating county or eligible municipality with the local housing distribution or other funds deposited into the local housing assistance trust fund.

(16) “Local housing incentive strategies” means local regulatory reform or incentive programs to encourage or facilitate affordable housing production, which include at a minimum, assurance that permits for affordable housing projects are expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.; an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption; and a schedule for implementing the incentive strategies. Local housing incentive strategies may also include other regulatory reforms, such as those enumerated in s. 420.9076 or those recommended by the affordable housing advisory committee in its triennial evaluation of the implementation of affordable housing incentives, and adopted by the local governing body.

(17) “Local housing distributions” means the proceeds of the taxes collected under chapter 201 deposited into the Local Government Housing Trust Fund and distributed to counties and eligible municipalities participating in the State Housing Initiatives Partnership Program pursuant to s. 420.9073.

(18) “Local housing partnership” means the implementation of the local housing assistance plan in a manner that involves the applicable county or eligible municipality, lending institutions, housing builders and developers, real estate professionals, advocates for low-income persons, community-based housing and service organizations, and providers of professional services relating to affordable housing. The term includes initiatives to provide support services for housing program beneficiaries such as training to prepare persons for the responsibility of homeownership, counseling of tenants, and the establishing of support services such as day care, health care, and transportation.

(19) “Low-income person” or “low-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever amount is greatest. With respect to rental units, the low-income household’s annual income
at the time of initial occupancy may not exceed 80 percent of the area’s median income adjusted for family size. While occupying the rental unit, a low-income household’s annual income may increase to an amount not to exceed 140 percent of 80 percent of the area’s median income adjusted for family size.

20) “Moderate-income person” or “moderate-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 120 percent of the median annual income adjusted for family size within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the moderate-income household’s annual income at the time of initial occupancy may not exceed 120 percent of the area’s median income adjusted for family size. While occupying the rental unit, a moderate-income household’s annual income may increase to an amount not to exceed 140 percent of 120 percent of the area’s median income adjusted for family size.

21) “Personal property” means major appliances, including a freestanding refrigerator or stove, to be identified on the encumbering documents.

22) “Plan amendment” means the addition or deletion of a local housing assistance strategy or local housing incentive strategy. Plan amendments must at all times maintain consistency with program requirements and must be submitted to the corporation for review pursuant to s. 420.9072(3). Technical or clarifying revisions may not be considered plan amendments but must be transmitted to the corporation for purposes of notification.

23) “Population” means the latest official state estimate of population certified pursuant to s. 186.901 prior to the beginning of the state fiscal year.

24) “Program income” means the proceeds derived from interest earned on or investment of the local housing distribution and other funds deposited into the local housing assistance trust fund, proceeds from loan repayments, recycled funds, and all other income derived from use of funds deposited in the local housing assistance trust fund. It does not include recaptured funds as defined in subsection (25).

25) “Recaptured funds” means funds that are recouped by a county or eligible municipality in accordance with the recapture provisions of its local housing assistance plan pursuant to s. 420.9075(5)(j) from eligible persons or eligible sponsors, which funds were not used for assistance to an eligible household for an eligible activity, when there is a default on the terms of a grant award or loan award.

26) “Rent subsidies” means ongoing monthly rental assistance.

27) “Sales price” or “value” means, in the case of acquisition of an existing or newly constructed unit, the amount on the executed sales contract. For eligible persons who are building a unit on land that they own, the sales price is determined by an appraisal performed by a state-certified appraiser. The appraisal must include the value of the land and the improvements using the after-construction value of the property and must be dated within 12 months of the date construction is to commence. The sales price of any unit must include the value of the land in order to qualify as eligible housing as defined in subsection (8). In the case of rehabilitation or emergency repair of an existing unit that does not create additional living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence. In the case of rehabilitation of an existing unit that includes the addition of new living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser, plus the cost of the improvements in either case.

28) “Very-low-income person” or “very-low-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the very-low-income household’s annual income at the time of initial occupancy may not exceed 50 percent of the area’s median income adjusted for family size. While occupying the rental unit, a very-low-income household’s annual income may increase to an amount not to exceed 140 percent of 50 percent of the area’s median income adjusted for family size.
(29) “Assisted housing” or “assisted housing development” means a rental housing development, including rental housing in a mixed-use development, that received or currently receives funding from any federal or state housing program.

(30) “Preservation” means actions taken to keep rents in existing assisted housing affordable for extremely-low-income, very-low-income, low-income, and moderate-income households while ensuring that the property stays in good physical and financial condition for an extended period.

History.—s. 32, ch. 92-317; s. 12, ch. 93-181; s. 3, ch. 96-332; s. 1046, ch. 97-103; s. 34, ch. 97-167; s. 14, ch. 98-56; s. 14, ch. 2000-353; s. 21, ch. 2006-69; s. 26, ch. 2009-96; s. 12, ch. 2011-15; s. 66, ch. 2011-139; s. 8, ch. 2016-210.
EXHIBIT J
Additional Instructions & Information for Down Payment Assistance
for Community Land Trust Purchases

To qualify, homes must be purchased from a County-approved Community Land Trust (CLT). The CLT will execute a 99-year ground lease with the homebuyer. A memorandum of that ground lease is recorded in the public records immediately following the deed. The terms of the ground lease restrict the resale of the property to an income eligible household and provide a right of repurchase to the CLT in the event of default. The CLT must approve the subsequent homebuyer. In the event of a default, the CLT must notify the County whether it intends to exercise its right of repurchase. In the event the CLT is not willing or able to exercise its right of repurchase, it shall transfer its right of repurchase to the County, giving the County the right, but not the obligation to purchase the property.

The assistance shall be treated as a development cost pay-down to further reduce the sales price to the homebuyer. The assistance amount shall be excluded from the Base Price and Formula Price as defined in the ground lease. The balance of the assistance must be included in the Purchase Option Price as defined in the ground lease to repay the funds to the County in the event of default. If the maximum subsidy was not provided to the first homebuyer, the County may provide additional assistance to the subsequent buyer to ensure that the property remains affordable, up to the amount of the maximum subsidy allowable at the time of subsequent purchase minus the original subsidy amount provided to the first homebuyer. Any additional SHIP investment will extend the original loan term. At the end of the loan term, the loan will be forgiven, and the lien released. However, the CLT ground lease will remain in effect and the requirements for residency, resale price, and subsequent buyer’s income eligibility will continue. The CLT may request satisfaction of a loan and release of the lien during the term of the loan on behalf of a homeowner or seller, and under certain defined circumstances, with approval granted by the County on a case-by-case basis.

When selling a CLT home, the seller must notify the CLT. The CLT will then enter into a purchase and sale agreement with the seller, that will get assigned to the subsequent homebuyer. The Purchase Option Price for the CLT will be calculated as follows:

Purchase Option Price = Formula Price + Payoff Amount of Deferred Payment Loans

The Formula Price is calculated using a Base Price calculated by subtracting the amount of down payment assistance from the purchase price. For example:

<table>
<thead>
<tr>
<th>Purchase Price:</th>
<th>$185,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINUS Assistance Provided (maximum):</td>
<td>- $55,000</td>
</tr>
<tr>
<td>EQUALS Base Price (sales price) for first buyer:</td>
<td>$130,000</td>
</tr>
</tbody>
</table>

Base price is the amount the buyer would need to finance (plus transaction costs) and is used to calculate the Formula Price in the ground lease.

Suppose the Formula (re-sale) Price in the ground lease is calculated by a 1% annual increase to the Base Price, compounded. Suppose the home is sold after 5 years. To calculate the Purchase Option Price (price that will go in the purchase and sale agreement between the CLT and the seller), first calculate the Formula Price:
Formula Price = Base Price x Compound Rate

Calculated as follows:

Year 1 = $130,100 x 1.01 = $131,300
Year 2 = $131,300 x 1.01 = $132,613
Year 3 = $131,613 x 1.01 = $133,939
Year 4 = $133,939 x 1.01 = $135,379
Year 5 = $135,379 x 1.01 = $136,631

Formula Price = $136,631

Purchase Option Price = $136,631 + $55,000 = $191,631

The price to the subsequent buyer equals the Purchase Option price minus the assumed down payment assistance:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Option Price</td>
<td>$191,631</td>
</tr>
<tr>
<td>DPA assumed</td>
<td>-$55,000</td>
</tr>
<tr>
<td>Sales price for subsequent buyer</td>
<td>$136,631 (New Base Price for Formula Price)</td>
</tr>
</tbody>
</table>

The new price should be affordable to the subsequent buyer without additional subsidy.

At the end of the loan term, the value of the Purchase Option Price will be equal to the Formula Price.