Highlands County

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2022-2023, 2023-2024, 2024-2025

Amendment #3

March 10, 2026 APPROVED BY FHFC

BOCC MEETING: April 7, 2026

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A. Administrative Budget for each fiscal year covered in the Plan B. Timeline for Estimated Encumbrance and Expenditure C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan D. Signed LHAP Certification E. Signed, dated, witnessed, or attested adopting resolution	

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

I. Program Details:

A. LG(s)

Name of Local Government	Highlands County Board County Commissioners
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	N/A

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.

C. Fiscal years covered by the Plan: 2022-2023, 2023-2024, 2024-2025

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 the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability. Additionally, the draft LHAP was submitted to and reviewed by the Highlands County Affordable Housing Committee (AHAC) at the April 20th, 2022 Committee Meeting. The draft was presented to the Highlands County Board of County Commissioners at the June 7th, 2022 Board Meeting. It was then placed on the Highlands County Board of County Commissioners Housing Division website, and all three (3) branches of the public library system.

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 waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan.

The following priorities for funding (Special Needs, Extremely-Low Income, etc.) described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

Special Needs applicants as defined in 420.0004 (13) first, then Extremely-Low, then Low Income.

All waiting lists will be maintained on a first-qualified, first-served basis unless otherwise stated in a specific strategy.

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. Highlands County complies with all requirements of these anti-discrimination statutes. The Highlands County Board of County Commissioners adopted the Fair Housing Ordinance (Ordinance 90-12; as amended) in support of these anti-discrimination statutes.

K. **Support Services and Counseling:** Support services are available from various sources. Staff maintain an up-to-date list of community supportive services. Available support services may include, but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling and Transportation.

L. **Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be 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 average area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

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

"Affordable" means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual

household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

N. Welfare Transition Program: Should an eligible sponsor be used, a qualification system and selection criteria 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 city/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:

Entity	Duties	Admin. Fee Percentage
Highlands County Board of County Commissioners	Fiscal responsibility of SHIP funds, along with program administration responsibilities.	10
Third Party Entity/Sub-recipient	Program Administration	

R. First-time Homebuyer Definition: For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*

S. Project Delivery Costs: In addition to the administrative costs listed above, Highlands County will charge a reasonable project delivery cost. Project delivery costs (soft costs) activities performed by non-county housing staff may include title searches, credit reporting, appraisals, loan closing, recording fees and document stamps, surveys, inspections, work write-ups, cost estimates, and construction oversight. The fee will not exceed 5% of the contracted SHIP award and will be included in the amount of the recorded mortgage and note. Project Delivery Costs apply to the following strategies: Down Payment Assistance, Owner-Occupied Rehabilitation (minor and major), Emergency Home Repair, Foreclosure Prevention, New Construction (Home Ownership), Demolition and Reconstruction/Replacement, and Rental Strategies (New Construction and Rehabilitation- Multi-Family Rental).

T. Essential Service Personnel Definition (ESP): ESP includes teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, and skilled building trades personnel.

U. Describe efforts to incorporate Green Building and Energy Saving products and processes: Highlands County will encourage the use of the following Green Building standards:

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); primer, and sealant;
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
    a. Toilets: 1.6 gallons/flush or less,
    b. Faucets: 1.5 gallons/minute or less,
    c. Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
4. Energy Star ceiling fans;
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 to prevent mold and mildew growth; and
8. High efficiency heating, ventilation, and air conditioning. Air conditioning must have a minimum SEER of 14. Packaged units are allowed in studios and one-bedroom units with a minimum of 11.7 EER.

V. Describe efforts to meet the 20% Special Needs set-aside: First priority assistance for all the County 's strategies, goes to qualifying Special Need households including victims of domestic violence. Twenty percent of yearly allocation funding is set-aside for the Special Needs which is incorporated into the Owner-Occupied Rehabilitation and Rental Development. This includes rehabilitation activities for barrier removal for disabled households and assisting victims of domestic violence. Owner-occupied rehab projects that include, but not limited to rehabilitation for ADA accessibility and/or technological enhancements and devices, the removal of material and architectural barriers that restrict mobility and accessibility of persons with disabilities; and general home rehabilitation to enable this special needs population to remain in their homes. The improvements can include, but are not limited to: carpentry repairs, accessibility modifications, plumbing repairs, and roof repairs or replacement.

Highlands County partners and provides funding to various non-profit organizations throughout the county that provide services to special needs population such as Volunteers of America and Ridge Area ARC. These non-profit organizations can request funding to acquire, construct, or rehabilitate homes or group homes for the purpose of providing housing for the targeted population.

W. Describe efforts to reduce homelessness: Highlands County stays in contact with and attends monthly lead agency for the local continuum of care (Heartland Coalition for the Homeless) meetings and works with other direct service agencies such as Hands for Homeless. Highlands County SHIP and Human Services staff refer residents to other agencies that provide assistance including past due rents and move-in assistance. The County has developed and leads The Homelessness Task Force (meets monthly) that works to identify strategies, resources and partnerships which reduce homelessness. Highlands County additionally works with the local domestic violence shelter to assist individual survivors with community resources and assistance as needed.

Highlands County also supports programs such as the Rapid Rehousing Program to provide temporary financial assistance and services to very-low or low income persons or families that are homeless or at risk of being homeless.

Section II. LHAP Strategies:

A. Purchase Assistance with and without Rehabilitation Code 1, 2

Summary: Funds will be awarded for downpayment and closing cost to households to purchase a newly constructed or existing home. A newly constructed home must have received a certificate of occupancy within the last twelve months. An existing home may also be purchased, and SHIP may pay for minor health and safety repairs including minor code violations, electrical, and plumbing, up to $5,000 (five thousand dollars), paid within the maximum award amount.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

c. Income Categories to be served: Extremely low, very low, low, moderate, and households up to 140% AMI

d. Maximum award:

Extremely Low, V-Low, Low:	$40,000
Moderate	$20,000
121-140%	$15,000

e. Terms:

1. Repayment loan/deferred loan/grant: All assistance is provided as a deferred loan, secured by a

recorded mortgage and promissory note.

2. Interest Rate: 0 %
3. Years in loan term: 20
4. Forgiveness: Loan is forgiven at a rate of ten percent for each full year after year ten- with the balance forgiven at the end of the loan term.
5. Repayment: Repayment not required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property either voluntarily or involuntarily; conversion to a rental property; loss of homeowners insurance, loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding amount will be due and payable. If the homeowner expires, vacates the property, or rents it out, repayment will be accelerated with repayment terms.

   In cases where the qualifying homeowner dies during the loan term, the loan may be assumed by a SHIP eligible heir who must occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the outstanding balance of the loan will be due and payable.

   In the event of foreclosure by a superior mortgage holder, The County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, and income groups as described in section I. of this plan. The sales price of the home to be purchased must be less than the SHIP sales price limit. Each applicant must complete a HUD certified homebuyer education class or other approved equivalent within 18 months prior to closing. Assistance is contingent on first mortgage lender approval. Applicants must secure a first mortgage by an approved lender and must contribute a minimum of $500 if extremely low and very low income, $1,000 if moderate income, and $1,500 for 121-140% AMI, towards the purchase.

g. Sub-recipient Selection Criteria: The County will advertise the request for applications. One (1) eligible sub-recipient will be selected. The sub-recipient will be selected using criteria such as, but not limited to:
(1) Must be a not-for-profit organization whose primary purpose is the provision of affordable housing.
(2) Must have demonstrated capacity and experience to administer the program.
(3) Must be able to operate the program from an office site located to be convenient for Highlands County residents.

h. Additional Information: The sales price of the home to be purchased must be less than the SHIP purchase price limit. Assistance is contingent on first mortgage lender approval. The maximum will not be awarded in all cases. Manufactured homes built after June 1994 are eligible if the owner also owns the land that it is on.

Applicants must not have more readily available funds than the funds being requested from the Highlands

County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

Loan Subordination:

Each request for subordination and/or refinancing of The Highlands County Housing Purchasing assistance loan will be handled on a case-by-case basis. Subordination shall only be approved by the County Administrator or his/her designee when the refinancing will reduce the current loan payment or more favorable loan terms such as a lower interest rate. No subordination will be approved for cash out transactions.

B. Owner Occupied Rehabilitation	Code 3, 4

Summary: Funds will be awarded to households in need of repairs to correct code violations, health, and safety issues, electrical, plumbing, roofing systems (including soffit and fascia), windows, and other structural items. Assistance from this strategy is based on the initial inspection/evaluation of the property by an inspector and the estimated dollar amount of the work to be completed. Additional items may be included on rehabilitation projects if funds are available after completing all required repairs listed above.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: $100,000.00

e. Terms:
1. Repayment loan/deferred loan/grant: All assistance is provided as a deferred loan, secured by a recorded mortgage and promissory note.
2. Interest Rate: 0%
3. Years in loan term: 10 years
4. Forgiveness: Loan is forgiven at a rate of twenty percent each full year after year five with balance forgiven at the end of the loan term.
5. Repayment: Repayment not required as long as the loan is not in default.
6. Default: The outstanding amount of the loan is due and payable 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; foreclosure, failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. If the qualifying homeowner dies during the loan term, the loan may be assumed by a SHIP eligible heir who must occupy the hone as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the outstanding balance of the loan will be due and payable. In the event of foreclosure by a superior mortgage holder, The County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, and income groups as described in section I. of this plan. The property must have a useful life of not less than fifteen (15) years to qualify for rehabilitation. Residential inspector must provide written report of property useful life. All rehabilitation projects and replacement projects will incorporate green building initiatives and green options in the areas of windows, heating, cooling, water heating, insulation, and energy star rated appliances.
First mortgages, property taxes and/or assessments must be current. Property may not have any existing subordinate mortgages or liens secured with the property other than the 1st mortgage and/or SHIP liens. There may not be any judgments or liens against the property.

Applicants who purchased their homes with SHIP funds and are obligated through a second or subordinate mortgage SHIP loan for purchase assistance must have owned the property as a primary residence for ten (10) years from the date of purchase.

Previously assisted SHIP clients who have already received two (2) subordinate mortgages in their lifetime are ineligible for rehab assistance.

A new mortgage and note will be recorded for the amount of assistance received. This new subordinate mortgage lien will be in addition to any other previously recorded SHIP liens and will run simultaneously with the other existing SHIP lien, but will have its own loan term.

g. Sub-recipient Selection Criteria: One eligible sub-recipient will be selected to implement the Owner-Occupied Rehabilitation Program using criteria such as, but not limited to, the following:
(1) Must be a not-for-profit organization whose primary purpose is the provision of affordable housing.
(2) Must have demonstrated capacity and experience to administer the program.
(3) Must be able to operate the program from an office site located to be convenient for Highlands County residents.

h. Additional Information: All work will be performed by contractors on the county's approved contractor's list. No repairs will be made if the cost of repairs exceeds 51% of the "total building value" from the Property Appraiser website. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately, such as road assessments. Clients must be current with their mortgage.

Property must be an existing single family detached home, townhome, individual condominium unit owner fee-simple. . Mobile or manufactured homes are not eligible for SHIP rehabilitation funds but can be considered for a replacement home if the applicant owns the property in which the mobile is located. Applicants must not have more readily available funds than the funds being requested from the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

C. Emergency Repair	Code 6

Florida Housing

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 windows causing exposure to the elements, air conditioning, septic, electrical or plumbing problems that could cause damage (fire) to the home or is an immediate health hazard to the occupants. This strategy will also be used for an applicant who has applied for but will not receive assistance through the owner-occupied rehabilitation strategy within the next three months.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: $30,000

e. Terms:

1. Repayment loan/deferred loan/grant: All assistance is provided as a deferred loan, secured by a recorded mortgage and promissory note.
2. Interest Rate: 0%
3. Years in loan term: 5 years
4. Forgiveness: Forgiven at the end of the loan term.
5. Repayment: Repayment not required as long as the loan is not in default.
6. Default: The outstanding amount of the loan is due and payable if any of the following occurs during the loan term: sale, transfer, foreclosure, or conveyance of property; conversion to a rental property; loss of homestead exemption status; of failure to occupy the home as primary residence. In cases where the qualifying homeowner dies during the loan term, the loan may be assumed by a SHIP eligible heir who must occupy the home as their primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the outstanding balance of the loan will be due and payable. In the event of foreclosure 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 pursing a repayment.

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, and income groups as described in section I. (I) of this plan. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately, such as road assessments. Clients must be current with their mortgage.

g. Sub-recipient Selection Criteria:
(1) Must be a non-profit organization whose primary purpose is the provision of affordable housing.
(2) Must have demonstrated capacity and experience to administer the program.
(3) Must be able to operate the program from an office site located to be convenient for residents.

h. Additional Information: When an applicant is assisted with emergency repairs, they will not lose their place on the rehabilitation waiting list. However, the amount of funds expended for the emergency repairs will be counted towards the maximum award if the applicant receives subsequent assistance through the rehabilitation strategy. Funds may also be awarded to pay insurance deductibles for any emergency repairs covered by the homeowner's policy. An applicant requesting an emergency repair will be required to:

1. Allow the inspector to access the home for an inspection to determine the need for the repair.
2. Provide proof of homeowner's insurance, if insured, and any proof whether or not the insurance will cover any part of the repair.
3. Assistance is available for manufactured homes built after 1994. The applicant must own the manufactured home and the land that it is on. SHIP will pay for an inspection to confirm whether the home is properly affixed to the ground and may pay to connect to the ground if it is not.

Applicants must not have available funds that the funds being requested form the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

D. Foreclosure Prevention	Code 7

Summary: Funds will be awarded to qualified homeowners that are in arrears on their first mortgage to avoid foreclosure and retain their homes. This is a one-time per household assistance strategy and may not be combined with other foreclosure assistance programs. The arrearage must be at least one full mortgage payment, but no more than six months and cannot be under an active foreclosure action.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: $10,000

e. Terms:

1. Repayment loan/deferred loan/grant: All assistance is provided as a deferred loan, secured by a recorded mortgage and promissory note.
2. Interest Rate: 0%
3. Years in loan term: 5 years
4. Forgiveness: Forgiven at the end of the loan term.
5. Repayment: Repayment is not required as long as the loan is not in default.
6. Default: The outstanding amount of the loan is due and payable 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. In cases where the qualifying homeowner passes away during the loan term, the loan may be assumed by a SHIP eligible heir who must occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the outstanding balance of the loan will be due and payable. In the event of foreclosure by a superior mortgage holder, The County will make an

effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, and income groups as described in section I. of this plan. No property taxes or other County assessments may be in arrears. This does not include payments that do not have to be paid immediately, such as road assessments.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Applicants are encouraged to apply to other foreclosure assistance programs for assistance prior to being approved for assistance under this strategy. Applicants must provide evidence of the hardship that caused the nonpayment of their mortgage. Must show their ability to keep the home out of default and to make monthly mortgage payments. This assistance is available only once to the mortgagee(s). Vacation homes and secondary mortgages/lines of credit or private lenders are not eligible for assistance. Assistance is available for manufactured homes built after 1994. The applicant must own the manufactured home and the land that it is on. SHIP will pay for an inspection to confirm whether the home is properly affixed to the ground and may pay to connect to the ground if it is not.

Applicants must not have available funds that the funds being requested form the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of accounts. Exception to this policy would be funds in in an IRA or other restricted retirement accounts.

E. Disaster Assistance Code 5, 16

Summary: The Disaster Strategy aids households in the aftermath of a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will only be funded and implemented in the event of a disaster using any funds that have not yet been encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation SHIP Disaster Funds may be used for items such as, but not limited to:

1. Immediate threats to health and life safety (sewage, 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 (exposed wires).
5. Payment of insurance deductibles for rehabilitation of homes covered under homeowners' insurance policies.
6. Purchase of emergency supplies for eligible households to weatherproof damage homes.
7. Interim repairs to avoid further damage: tree and debris removal required to make the individual housing unit habitable.
8. Construction of wells or repair of existing wells where public water is not available.
9. Security deposit for eligible recipients that have been displaced from their homes due to disaster.

10. Rental assistance for eligible recipients that have been displaced from their homes due to disaster.
11. Temporary rent and utility payments for up to 3 months for tenant financially impacted by a disaster.
12. Temporary mortgage and utility payments for up to 3 months for homeowners financially impacted by a disaster.
13. Strategies included in the approved LHAP that benefit applicants directly affected by the declared disaster.
14. Other activities as proposed by the counties and eligible municipalities and approved by Florida Housing.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: 25,000. Rental assistance not to exceed $10,000.

e. Terms:
1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant with no recapture terms.
2. Interest Rate: N/A
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A

f. Recipient/Tenant Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis with the following additional requirements: - Must file for and use proceeds from insurance as first option, if available.
- Priority will be given to those individuals/households who have Special Needs, as defined in 420.0004 (13), F.S. or individuals or households that qualify as Elderly, as defined in 420.503 F.S.

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

h. Additional Information: SHIP funds may be used for eligible applicants and eligible housing. The applicant(s) must occupy the home as their primary residence at the time of the disaster. In an instance where the home cannot be occupied by the homeowner due to the condition of the home (i.e., the home is in such a severe state of disrepair that it is unsafe or not permitted by the local Building Department or Code Enforcement office for the homeowner to reside in the dwelling), the home will: (1) where sufficient funding is available, be demolished and reconstructed, or (2) where sufficient funding is not available, be considered a walk-away and ineligible for assistance. Home condition may be validated via verifiable building or code enforcement documentation and/or onsite inspection and photo backup.

Funds for disaster mitigation will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the disaster.

F. Construction and Redevelopment/Home Ownership Redevelopment (Home Ownership)		Code 9/10

Summary: This strategy is designed to promote the acquisition and construction of affordable housing for homeownership opportunities. Non-profit developers of affordable housing will be required to submit proposals. Funding is intended to be a source of gap financing. Eligible properties include single family homes. All funds awarded must be used to cover the costs of acquisition/rehabilitation, replacement, or new construction. All homes must be sold to eligible applicants.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: $100,000 per unit (Developer)
Homebuyer: $30,000 (Extremely-low, Very-low), $20,000 (low), and $10,000 moderate

e. Terms:

1. Repayment loan/deferred loan/grant: All assistance is provided as a deferred loan, secured by a recorded mortgage and promissory note. Developer – Funds will be awarded to Developers as a deferred loan secured by a recorded subordinate mortgage and note until conveyed to the buyer. Homebuyer- All assistance is provided as a subsidy at closing.
2. Interest Rate: 0% Developer; Homebuyer- 0%
3. Years in loan term: Developer- Ends upon conveyance of property to homebuyer; but no later than 18 months after the award. Homebuyer: 10 years
4. Forgiveness: Developer- Forgiven upon conveyance to buyer if transferred within 18 months after the award. Homebuyer- Forgiven at 20% per year after year five with loan forgiven at the end of the loan term.
5. Repayment: Developer -Not required as long as the loan is not in default. Once the developer has completed and sold the house to an income eligible buyer, the proceeds from the sale of the property will be used to pay off 100 percent of the developer's loan for that property. If all conditions are met, the county/lender will release the property or satisfy the mortgage. Homebuyer- Not required as long as the loan is not in default.
6. Default: Developer- Failure on the part of the developer to receive a certificate of occupancy and transfer ownership to an income eligible buyer within 18 months of receiving the award will constitute a default. If this occurs, the outstanding balance will be due and payable. Homebuyer: The loan will be determined to be in default if any one of the following occurs during the loan term: sale, transfer, or conveyance of property either voluntarily or involuntarily; conversion to a rental property; loss of homeowners insurance; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding amount will be due and payable. If the homeowner expires, vacates the property, or rents it out, repayment will be accelerated with repayment terms.
   In the case of default, which is defined as not meeting the occupancy, eligibility and/or ownership requirements, the County will make an effort to recapture funds through the legal process if it is

determined that adequate funds may be available to justify pursuing a repayment.

f. Recipient/Tenant Selection Criteria: For rehabilitated and new construction homeownership units, assistance to Developers will be provided on a first-qualified, first-served basis. The homebuyer must:

1. Qualify for a first mortgage through a qualified lender or not-for-profit sponsor providing first mortgage financing.
2. Successfully complete a HUD Certified Homebuyer Class within 18 months prior to closing (must produce a certificate of completion.
3. Contribute a minimum of $500 toward the purchase of the home. (Eligible expenses must be listed on the Closing Disclosure and may include, but not limited to, sweat equity, the costs of inspections, appraisals, initial deposits, or funds paid at closing).
4. In all cases, the buyer receives the benefit of SHIP assistance in the form of a subsidy that must be applied to the balance of the mortgage. This subsidy will be applied at Closing.
5. All applicants must be income-qualified, first time home buyer (cannot own a home during the 3-year period prior to the closing date.
6. Owner-occupied/principal residency required.
7. Applicants must be willing to submit all documents in a timely manner.
8. Applicant can apply for SHIP Down Payment Assistance Program.
9. Client/home buyer selection will be made by the developer and approved by the SHIP Administrator by signing the Florida Housing Resident Income Certification for home ownership.

Compliance with each requirement must be documented in the household file.

g. Sponsor Selection Criteria: Developers will apply to the County by submitting an application. The application from the developer must include the following:
- Proof of developer experience in providing affordable homeownership opportunities to income-qualified homebuyers.
- Capacity and capability to carry-out projects in a timely manner (to secure a Certificate of Occupancy within 18 months).
- Ability to obtain necessary financing through lenders or ability to generate donations and/or grant funding.
- Recapture provisions.
- Financial history of organization (to include 990s from last 3 years).
- Affordability of home being built.
-Use of green techniques.

h. Additional Information: Homebuyers must not have available funds that exceed the fund amount being requested from the Highlands County Housing Office. These funds would be in a checking, savings, money market or CD type of account. Exception to this would be funds in an IRA or other restricted retirement account.

G. Demolition and Reconstruction/Replacement Code 4

Summary: The strategy is designed to replace uninhabitable, dilapidated structures or structures which cannot be rehabilitated according to Florida Building Code Definitions of "Substantial Improvement, Substantial Damage and/or Substantial Structural Damage" for homeowners that do not have alternative housing or financial resources to alleviate the situation, including homes that may have previously been rehabilitated.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: $230,000.00

e. Terms:

1. Repayment loan/deferred loan/grant: Funds will be awarded as a forgivable loan secured by a recorded mortgage and note.
2. Interest Rate: 0%
3. Years in loan term: 20
4. Forgiveness: Loan is forgiven at a rate of ten percent for each full year after year ten- with balance forgiven at the end of the loan term.
5. Repayment: Not required if the loan is not in default.
6. Default: For all awards, a default will be determined as: sale, transfer, or conveyance of property; conversion to another user; loss of homestead exemption status; or failure to occupy the home as the primary residence. If these occur, the outstanding balance will be due and payable.

   In cases where the qualifying homeowner dies during the loan term, the loan may be assumed by a SHIP eligible heir who must occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home as their primary residence, the outstanding balance of the loan will be due and payable.

f. Recipient/Tenant Selection Criteria: Priority will be given in accordance with Section I. Anyone who previously received prior SHIP assistance is ineligible to apply, except for SHIP approved disaster assistance. Other than the item(s) being addressed by SHIP for the principal residence, the applicant(s) may not have any unresolved property code violations/citations issued. Property taxes must be paid and not delinquent. The applicant cannot be delinquent in any debt owed to Highlands County. The property must be owner occupied. Owner-occupied refers to the physical land associated with a unique property description/parcel ID and the dwelling located on the land. Owner-occupied does not include dwellings situated on property not owned by the applicant. The applicant may not have liquid assets (excluding retirement or IRA accounts). The applicant must be able to demonstrate the ability to pay property taxes, homeowner's insurance, and utilities.

g. Sub-recipient Selection Criteria: N/A

h. Additional Information:
Units assisted must be within Highlands County. Manufactured homes are eligible for this strategy if the

owner agrees that the mobile/manufactured home will be removed from the site. New manufactured homes are eligible for purchase. Applicants with existing mortgages are not eligible for this strategy. Applicants who receive awards are not eligible to apply for any additional assistance strategies except SHIP approved disaster assistance. The existing structure must be certified by the building inspector as substandard and not suitable for rehabilitation. This must be verified by the County Building Official.

Relocation funds of no more than $4,000 per client will be provided as a grant to the homeowner for this strategy. Homeowners assisted under this strategy will be required to obtain temporary housing on their own.

H. Rental Development Code 14,21

Summary: The strategy is created to award funds to developers of affordable rental units that have been awarded construction financing though other state or federal housing programs to construct or rehabilitate affordable rental units.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

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

d. Maximum award: $75,000 per unit up to $225,000 per project

e. Terms:
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 not-for-profit developers, funds will be awarded as a forgivable loan secured by a recorded mortgage and note.
2. Interest Rate: 0%
3. Years in loan term: 20
4. Forgiveness: Non-profit developers; the loan is forgiven at a rate of ten percent for each full year after year ten- with balance forgiven at the end of the loan term.
5. Repayment: For for-profit developers, the loan is due and payable at the end of the loan term unless the county negotiates an extended loan term to secure affordable rental units in the best interest of the county's residents.
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 primary funding sources. If any of these occur, the outstanding balance will be due and payable.

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

g. Sponsor Selection Criteria: Developers will apply to the county by submitting a letter of interest, proposal, and program narrative to include the following: 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 that meets with the county's housing element in the Comprehensive Plan.

h. Additional Information: All funding award will be subject to closing on other funding sources. Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units.

I Rental Assistance Code 13,13,26

Summary: The strategy is created to assist individuals or families to obtain quality, safe, and affordable rental housing. Funds will assist in security and utility deposit assistance; and first month's rent. Provide eviction prevention/rental assistance (up to 3 months) and or/rapid rehousing assistance (up to 6 months). Applicants will be assisted in-house or through the local Continuum of Care Coordinated Entry System.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

c. Income Categories to be served: Very low and low

d. Maximum award: $10,000.00

e. Terms:
7. Repayment loan/deferred loan/grant: Funds will be awarded as a grant.
8. Interest Rate: N/A
9. Years in loan term: N/A
10. Forgiveness: N/A
11. Repayment: N/A
12. Default: N/A

f. Recipient/Tenant Selection Criteria: Eligible applicants are on a first-qualified, first-served basis. Funding to qualified applicants is limited to and based on SHIP funds availability, with a priority for households with Special Needs as defined in 420.0004 (13) or homeless. Applicants who are homeless or at risk of being homeless will be initially referred by the local Continuum of Care. Applicants with one or more Special Needs household members may apply directly to the Housing Office.

g. Sub-recipient Selection Criteria: Qualified non-profit organizations interested in administering the rental assistance strategy must submit a letter of interest to include:
- Experience managing similar programs to individuals who are homeless or at risk of being homeless
- Access to background information (through the Homeless Management Information System)
- Capacity and capability to administer program
- Ability to provide housing stability counseling.

h. Additional Information: One time assistance per tenant lifetime. Eviction prevention will be provided to households who have fallen behind on their rent and who have received notice of potential eviction. They must show they are able to continue making monthly rental payments. Eligible reasons for falling behind

in rent include:
- Involuntary loss in pay due to unemployment/underemployment.
- Divorce/separation resulting in temporary loss of income.
- Death of a spouse resulting in loss of income.
- Sudden, unforeseen medical bills.
- Involuntary loss of verifiable income from other sources (temporary or permanent).

To be eligible for security and/or utility deposit assistance, and first month's rent, recipient must be homeless as defined in 420.621 FS. Assistance is provided as necessary to help individuals living in shelters or in places not meant for human habilitation move as quickly as possible into permanent housing and achieve stability in that housing. Eligible costs may include utilities, last month's rent, and past due payments.

All applicants are required to have a minimum of a 6-month lease and must show the ability to make monthly rental payments.

III. LHAP Incentive Strategies

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

A. Name of the Strategy: **Expedited Permitting**
Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

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

a. **Established Policy and Procedures:**
   1. **Section 12.04.300 Affordable housing expedited permitting.** When requested by an applicant for an affordable housing project, as defined by F.S. Ch. 420, Pt. VI, and the application is determined to be complete, the county shall grant first priority in review and processing of all preliminary and a final development orders, including plats, site plans, concurrency clearance, driveway permits, and improvement plans, and all other applicable development permits in order to expedite the issuance of these development orders. To effect the successful issuance of a development order and/or permit, the county shall continually monitor the progress of the application. The project, however shall comply with all requirements of these regulations.
   2. **Section 12.16.306 Affordable housing expedited permitting:** When requested by an applicant for an affordable housing project, as defined by F.S. Ch. 420, Pt. VI, and the application is determined to be complete, the county shall grant first priority in review and processing to expedite the issuance of all building permit applications, preliminary and a final development orders, and all applicable development permits. To affect the successful issuance of a development order and/or permit, the county shall continually monitor the progress of the application. The project, however shall comply with all requirements of these regulations not elsewhere exempted.

3. **Section 12.17.204 Affordable housing expedited permitting:** When requested by an applicant for an affordable housing project, as defined by F.S. Ch. 420, Pt. VI, and the application is determined to be complete the county shall grant first priority in review and processing to expedite the issuance of all preliminary and final development orders and all other applicable fire clearances. To effect the successful issuance of a development order and/or permit, the county shall continually monitor the progress of the application. The project, however, shall comply with the requirements of these regulations not elsewhere exempted.

B. Name of the Strategy: **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.

a. Established Policy and Procedures:

The County will continually monitor and review its development approval process to identify and eliminate any unnecessary impediments to the provision of housing within the community by ordinance and Board of County Commissioner resolution.

Highlands County Housing Division coordinates with other County departments regarding ordinances or regulations impacting affordable housing. Staff provide reports and updates to the Affordable Housing Advisory Committee (AHAC) for review and discussion at their regularly scheduled meetings. The AHAC provides staff with input and recommendations with the Housing Division preparing final reports and presentations for the Highlands County Board of County Commissioners (BoCC) consideration.

C. **Impact Fee Waivers:**
The County currently has a moratorium on all impact fees.

D. **Creation of Affordable and Workforce Housing Trust Fund**
The County has established an Affordable and Workforce Housing Trust Fund to be funded by an annual transfer to the Trust Fund from revenues and taxes available in the County General Fund. The Trust fund is established to provide for the creation and maintenance of Affordable and Workforce Housing within the County.

a. Established Policy and Procedures:
Sec. 13-78. Creation of Affordable and Workforce Housing Trust Fund.
There is hereby created within the general fund budget of the county an "affordable and workforce housing trust fund" to be funded by an annual transfer to the trust fund from revenues and taxes available in the county general fund. The amount of the annual trust fund transfer shall be such amount as appropriated by the county for the trust fund for each county budget year. The amounts on deposit in the affordable and workforce housing trust fund shall be appropriated to provide for the creation and maintenance of affordable and workforce housing within the county based upon qualifying criteria within an affordable and workforce housing program established by subsequent resolution.

E. **Flexibility Densities for Affordable Housing**

Reservation of infrastructure capacity for housing for very-low income households, low-income households, and moderate-income households.

The County will continually monitor infrastructure capacity and coordinate potential sites with availability such that capacity for housing very-low, low, and moderate income persons is reserved with a high degree of priority as opportunities arise.

IV. EXHIBITS:

Required

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

B. Timeline for Estimated Encumbrance and Expenditure.

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

D. Signed LHAP Certification.

E. Signed, dated, witnessed, or attested adopting resolution.

Optional

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

G. Interlocal Agreement (Required if applicable).

H. Other Documents Incorporated by Reference.