

BCC Mtg. Date: August 20, 2019

RESOLUTION

of the

ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS

regarding

ORANGE COUNTY LOCAL HOUSING ASSISTANCE PLAN UNDER THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM FOR STATE FISCAL YEARS 2018-2019, 2019- 2020, AND 2020-2021

Resolution No. 2019-M-33

WHEREAS, the Florida Legislature adopted the William E. Sadowski Affordable Housing Act, Chapter 92-317, Laws of Florida, 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, Sections 420.907-420.9079, Florida Statutes and Rule Chapter 67-37, Florida Administrative Code (F.A.C.), requires local governments to develop a one to three year Local Housing Assistance Plan outlining how funds will be used; and

WHEREAS, on September 11, 2018, the Board of County Commissioners (the "Board") adopted Resolution No. 2018-M-33, adopting a local housing assistance plan ("LHAP") covering the use of SHIP program proceeds for state fiscal years 2018-2019, 2019-2020, 2020-2021; and

WHEREAS, the Board now desires to make certain revisions to the LHAP to increase down payment assistance for very low, low and moderate income families; and

WHEREAS, the Board also desires to modify its homeownership impact fee subsidy program pursuant to the LHAP by providing impact fee reimbursements to builders constructing owner-occupied homes for moderate income households; and

WHEREAS, the county's down payment assistance and owner-occupied rehabilitation programs pursuant to the LHAP require the recording of mortgages against properties which are purchased or rehabilitated through these programs in order to ensure compliance with program requirements.

WHEREAS, as a routine matter, when the mortgage terms under SHIP programs have been met or when homes are sold prior to the end of the mortgage's term and county loans are paid, mortgage satisfactions are issued and recorded.

WHEREAS, under certain additional circumstances mortgage subordinations are required by commercial lending institutions in connection with refinancings that lower the interest rates or home-improvement loans on properties benefitted under these programs.

WHEREAS, in order to streamline and expedite the routine processing of mortgage satisfactions and subordinations as necessary and contemplated under the SHIP program, the

Board desires to delegate to the Housing and Community Development Division Manager the authority to execute mortgage subordinations and satisfaction of mortgages.

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

Section 1. The Board hereby accepts and adopts the changes in the attached Local Housing Assistance Plan ("LHAP") for the state fiscal years 2018-2019, 2019-2020, 2020-2021 and, to the extent of such changes, Resolution No. 2018-M-33 is hereby amended.

Section 2. To the extent of available funds the SHIP down payment assistance, is hereby increased to:
\$35,000 for eligible very low income homebuyers;
\$25,000 for eligible low income homebuyers; and
\$15,000 for eligible moderate income homebuyers.

Section 3. The Homeownership Impact Fee strategy in the attached LHAP is hereby modified to include builders constructing owner-occupied affordable homes for moderate income homebuyers at a reimbursement rate of 50 percent of the impact fee, in an amount not to exceed \$15,000 per housing unit and subject to availability of funds.

Section 4. The Board of County Commissioners hereby delegates authority to the Housing and Community Development Division Manager to execute routine subordinations and satisfactions of SHIP program mortgages: 1) when mortgage terms under SHIP programs have been met; 2) when homes are sold prior to the end of the mortgage's term and county SHIP loans are repaid; or 3) under certain additional circumstances consistent with SHIP program strategies and goals, when mortgage subordinations are required by commercial lending institutions in connection with refinancings that lower the interest rates or home-improvement loans on eligible properties benefitted under LHAP programs.

Section 5. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS _____ DAY OF AUG 20, 2019.



ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By: *Jerry L. Demings*
Jerry L. Demings
Orange County Mayor

ATTEST: Phil Diamond, CPA, Orange County Comptroller
As Clerk of the Board of County Commissioners

BY: *Katell Smith*
Deputy Clerk

Orange County Board of County Commissioners

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2018-2019, 2019-2020, 2020-2021

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I. Program Details:

A. Name of the participating local government: Orange County Board of County Commissioners

Is there an Interlocal Agreement: Yes No

B. Purpose of the program:

1. To meet the housing needs of the very low, low and moderate income households;
2. To expand production of and preserve affordable housing; and
3. To further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2018-2019, 2019-2020, 2020-2021

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 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 applications were submitted as well as any established funding priorities as described in this plan.

The following priorities for funding described/listed here apply to all strategies unless otherwise stated in the strategy: None

- 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 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 median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

- U.S. Treasury Department
- Local HFA Numbers

- 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 and the Housing and Community Development Division are 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 of proposed Administrative Expenditures is attached as Exhibit A.

Orange County Board of County Commissioners finds that the moneys deposited in the local housing assistance trust fund shall be used to administer and implement the local housing assistance plan.

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

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(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 wholly performed and maintained by the Orange County Board of County Commissioners.
- R. Project Delivery Costs: The County or sub-recipient may charge a reasonable project delivery fee to cover the cost to deliver housing related services performed by non-county employees such as rehabilitation projects completed by an agency. The fee will be part of a written agreement with the agency.
- S. Essential Service Personnel Definition: Essential Services Personnel in Orange County means persons whose household incomes do not exceed 140 percent of the area median income as determined annually by the Florida Housing Finance Corporation and adjusted for family size, including teachers and educators, other school district employees, community college and university employees, police and fire personnel, health care personnel, and skilled building trades personnel.

- T. Describe efforts to incorporate Green Building and Energy Saving products and processes: Orange County encourages the use of low energy products and the use of green building principles in rehabilitation and new construction. Green building initiatives include but are not limited to **Healthy Living Environment** – use of efficient heating and cooling systems, insulation, windows and appliances; **Water Conservation Measures** – plumbing fixtures will employ water conserving fixtures, the site will be assessed to determine areas where re-landscaping will be beneficial through the use of Florida Friendly plant palettes; **Energy Efficiency** – efficiency improvements that will minimize resident utility costs such as energy star rated appliances, increased insulation, and dual pane windows; **Materials Beneficial to the Environment** – Low VOC interior paint should be utilized, dark roofing materials should be avoided to help reduce utility costs and reduce heat island effects.

- U. Describe efforts to meet the 20% Special Needs set-aside: Orange County partners and provides funding to various non-profit special needs providers such as Quest and The Center for Independent Living. Funding can be used to acquire, construct, or rehabilitate homes or group homes that house persons with special needs. In addition, Orange County provides owner-occupied housing rehabilitation assistance to very low income applicants. However, assistance extends to low and moderate income applicants with special needs.

- V. Describe efforts to reduce homelessness: Orange County has made homelessness a top priority and has provided funding and support to various homeless agencies and providers. These agencies provide counseling, support services, and find permanent housing to veterans and chronically homeless individuals. Orange County also supports programs such as the Rapid Rehousing Program to provide temporary financial assistance and services to very low income persons or families that are homeless or at risk of being homeless.

Section II. LHAP Strategies:

A. Purchase Assistance	Code 1, 2
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- a. Summary of Strategy:

The purpose of Orange County's Downpayment Assistance program is to provide funds to qualified first time homebuyers for downpayment and closing costs associated with purchasing a new or existing home. A first time home buyer is defined as an individual or a spouse who has not own a home during the 3-year period ending on the date of purchase of the property; a single parent who has only owned a residence with a former spouse while married; an individual who is a displaced homemaker and has only owned a residence with a spouse; an individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served: Very Low, Low, Moderate
- d. Maximum award:

Very Low	\$30,000	<u>\$35,000</u>
Low	\$20,000	<u>\$25,000</u>
Moderate	\$10,000	<u>\$15,000</u>

- e. Terms:

- 1. Repayment loan/deferred loan/grant:

The County's assistance will be in the form of a non-amortizing Deferred Payment Loan (DPL) secured by a recorded note and mortgage.

- 2. Interest Rate: 0%
- 3. Years in loan term: 10 years
- 4. Forgiveness:

There is no provision for forgiveness of the loan during the 10 year loan period. The loan is forgiven upon maturity of the mortgage note. All repaid DPL funds are classified as program income.

- 5. Repayment: Not required

- 6. Default:

The full amount of the DPL shall become due and payable as a result of default on the first mortgage or if one of the events occurs during the 10 year loan period: (a) the Homeowner sells, transfers or disposes of the property or home either voluntarily or involuntarily; (b) the Homeowner fails or ceases to occupy the home as their principal residence; (c) the Homeowner, or if the Homeowner is married, the survivor of the Homeowner or the Homeowner's spouse, dies; or (d) the Homeowner refinances the first mortgage loan at which time the principal balance is due unless the Mortgagee agrees to subordination of its second mortgage loan to the new first mortgage loan

- f. Recipient Selection Criteria:

- Eligible applicants will be assisted on a first qualified, first-served basis.
- Applicants must meet the income criteria for the program.
- Applicants must be U. S. citizens, or provide proof of lawful

permanent residency. Applicants who have been granted refugee or asylum status or are in a temporary protected status may also be eligible.

- Applicant must be a first time homebuyer (except for displaced homeowner).
- Applicant must complete a homebuyer's workshop from a HUD approved housing counseling agency.
- Applicant must meet income and credit eligibility guidelines.
- Applicant must be able to obtain first mortgage financing.
- Applicant must contribute the greater of 1.75 percent of the sales price or \$1,000 towards the home purchase prior to closing of the county loan.
- Eligible properties include single-family homes, condominiums, and town homes located in Orange County. Mobile Homes are not eligible.

g. Sponsor/Developer Selection Criteria:

This strategy will be administered by Orange County Housing and Community Development staff.

h. Additional Information:

Orange County may subordinate its lien position if the homeowner is refinancing the first mortgage in order to receive a lower interest rate and no cash equity is taken out of the property for personal use.

The program will provide up to ~~\$30,000~~ \$35,000 in assistance to qualified very low, low, and moderate income persons in Orange County on a first qualified, first served basis. The loan can be used in conjunction with a rehab loan such as a 203K loan. Potential homebuyers are required to attend a homebuyer's education program. This program is a free service and provides education, counseling, and technical services to assist eligible very low, low, and moderate income families in the process and procedure connected with the purchase of an affordable fee simple housing unit. The homebuyer's education class will address topics as choosing a realtor, qualifying for a mortgage, inspecting a house, contracts for sale, home maintenance, and credit issues. Documentation of satisfactory completion of a HUD approved eight (8) hour class must be included in the application packet submitted to the Housing and Community Development Division.

In the event the homeowner(s) listed on the SHIP mortgage and note dies, heirs to the property may assume the SHIP mortgage and note if they income qualify and meet all SHIP requirements.

B. Owner Occupied Rehabilitation	Code 3
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a. Summary of Strategy:

Housing rehabilitation assistance will be available to qualified very low income applicants. Low and moderate income applicants qualify for assistance if they meet the special needs definition as defined under 420.0004(13) F.S. or have a developmental disability as defined under 393.063 F.S. Funding will be awarded on a, first qualified, first-served basis with priority given to persons with special needs.

This strategy provides for rehabilitation of owner occupied single family houses as follows:

To qualify, the renovations to homes may include correcting housing and building code violations, providing cost effective energy conservation features such as insulation, weatherization, installing energy efficient appliances, and other technological enhancements and devices making the dwelling accessible to persons with special needs and elderly occupants as necessary and correcting health and or safety violations.

Loan term begins upon the completion date of the rehabilitation which is when the final inspection is signed off by the homeowner, contractor and inspector.

b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020 -2021

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

d. Maximum award: \$75,000

e. Terms:

1. Repayment loan/deferred loan/grant:

The County's assistance will be in the form of a grant or amortized Deferred Payment Loan (DPL) secured by a recorded note and mortgage.

2. Interest Rate: 0%

3. Years in loan term:

The County's assistance will be in the form of a grant for amounts \$10,000 or less. For amounts between \$10,001 and up will be in the form of a deferred loan.

4. Forgiveness:

The County's assistance will be in the form of a grant for amounts \$10,000 or less. For amounts between \$10,001 and \$19,999, the deferred loan is forgiven at a rate of 1/5 per year at the anniversary date of the loan. For amounts of \$20,000 or more, the loan and is forgiven at a rate of 1/15 per year at the anniversary date of the loan. All repaid DPL funds are classified as program income.

5. Repayment: Not Required

6. Default:

Notes are due and payable upon the occurrence of the following events: (a) the Homeowner sells, transfers or disposes of the property or home either voluntarily or involuntarily; (b) the Homeowner fails or ceases to occupy the home as their principal residence; (c) the Homeowner, or if the Homeowner is married, the survivor of the Homeowner or the Homeowner's spouse, dies; or (d) the Homeowner refinances the first mortgage loan at which time the principal balance is due unless the Mortgagee agrees to subordination of its second mortgage loan to the new first mortgage loan.

f. Recipient Selection Criteria:

- The homeowner must own and reside in the property to be rehabilitated at least one year prior to applying for assistance.
- Real estate taxes and mortgage payments must be current.
- Property must be a single-family dwelling located in Orange County outside the city limits of Orlando.

g. Sponsor/Developer Selection Criteria:

This strategy will be administered by Orange County Housing and Community Development staff. Orange County may also partner with non-profit agencies to complete limited rehabilitation work. Agencies selected will be based on their ability and experience in providing rehabilitation work or the clientele they serve.

h. Additional Information:

Mobile Homes are not eligible for assistance under this program.

C. Disaster Repair/Mitigation	Code 5
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a. Summary of Strategy:
 In the event of a state or federal disaster declared by executive order affecting part or all of Orange County, the Board of County Commissioners reserves the right to transfer unencumbered SHIP funds to this contingency strategy.

The purpose of this strategy is to provide assistance to cover a portion of their deductible insurance costs associated with repairing property losses. Property damage must be a result of the disaster and be verified by insurance estimates and contractor’s estimates.

Residential property must be owner occupied and located in unincorporated Orange County or any Orange County municipality excluding the City of Orlando. The tax-assessed value of the property cannot exceed the maximum sales price limit listed on the housing delivery goals charts.

Funding under this program is limited and assistance will be provided on a first qualified, first-served basis.

b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021

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

d. Maximum award:

Very Low	\$3,000
Low	\$2,000
Moderate	\$1,000

- e. Terms:
1. Repayment loan/deferred loan/grant: Assistance to disaster victims shall be in the form of a 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:
- All applicants must meet the income criteria of the SHIP program.
 - Damage must have occurred to the home and must be verified through insurance documentation.

- Property assisted must be located in Orange County outside the city limits of Orlando and be the primary residence of the applicant.
 - Assessed value of the property cannot exceed the maximum sales price as listed on the housing delivery goals chart.
 - Mobile homes and rental properties are not eligible for assistance.
- g. Sponsor/Developer Selection Criteria:
This strategy will be administered by the Orange County Housing and Community Development staff.
- h. Additional Information: None

D. Homeownership New Construction	Code 10
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- a. Summary of Strategy:
This construction strategy is designed to increase the stock of affordable housing by creating a Capital Loan Fund (CLF) to be used for land acquisition, pre-development cost, and vertical construction of single family affordable homes. The loan funds will be for non-profit affordable housing developers. Orange County will use the services of a non-profit lender with experience in administering a loan fund for affordable housing.
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020 -2021
- c. Income Categories to be served: Very Low, Low, Moderate
- d. Maximum award: \$200,000 per Housing Unit
- e. Terms:
Developers will be required to enter into an agreement with our non-profit lender administrating the CLF. Orange County will specify the terms and conditions under which SHIP funds will be provided which will include a loan secured with a mortgage and note requiring repayments at a minimal interest rate. Developer will be required to pay a loan application fee (\$1,000 minimum), origination fee (1 percent of the loan amount), and a 1 percent interest rate on the loan itself. Other expenses related to the loan such as appraisal, title insurance and Doc stamps will be paid by the developer.
1. Repayment loan/deferred loan/grant: Deferred Loan
 2. Interest Rate: 1% interest to be paid monthly by the developer
 3. Years in loan term: Up to 24 months to build and sell

4. Forgiveness: None

5. Repayment:

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. A reasonable profit/fee (up to 15%) to the nonprofit developer will be determined by the county. If all conditions are met, the county/lender will release property or satisfy our mortgage. First lien mortgage will have "due on demand" maturity language.

The homebuyer may receive down payment assistance (Strategy A) from the County in the form of a 10 year non-amortizing Deferred Payment Loan (DPL) secured by a recorded note and mortgage with 0% interest. No repayment is required as long as the homebuyer continues to own and occupy the assisted house for 10 years.

6. Default:

A default will occur if developer fails to meet program requirements, loan terms, and sell the house to income eligible buyer. Orange County and its lender will not release or satisfy our mortgage interest unless the buyer is eligible and documentation has been verified. If Developer remains in default, Orange County through its lender will foreclose on the property, take ownership and handle any remaining construction and sale through another nonprofit or realtor to an income qualified buyer.

f. Recipient Selection Criteria:

Buyers must meet all of the program requirements including the income criteria. The homeownership units will be provided on a first qualified, first served basis.

g. Sponsor/Developer Selection Criteria:

Orange County will partner with a non-profit lender and Community Development Financial Institution (CDFI) organization to administer the loans. The lender selected to participate in the program will be evaluated based on criteria to include:

- Financial and organizational capacity
- Experience in implementing similar programs
- Financial audits verifying control system are in place
- Organizational documents, board members, and resumes

Each developer must be 501(c)(3) nonprofit with experience building affordable housing for low to moderate income households. Each developer will be evaluated and selected to participate based on criteria to include but not limited to:

- Experience in construction/development
- Organization capacity to carry out project
- Operating and management performance of similar projects
- Credit history and financial capacity
- Organizational documents, board members, and resumes

Developers will be selected on a first qualified, first served basis.

h. Additional Information:

Eligible expenses are hard and soft cost such as the cost of land, cost to acquire structure and land, demolition cost, professional service fees such as environmental phase one, engineering, survey, appraisal, and architectural drawings. Also allowed are infrastructure directly related to the project, including streets, roadways, parking, sidewalks, pathways, storm drainage, water, sewer and sanitary systems, sewer connections, hydrants, meters, utilities and utility easements for telephone, cable , electric lines, and right of ways and other acceptable fees. Eligible soft costs are plat reviews, recording fees, permits, environmental reviews and impact studies, land use amendment reviews, and other acceptable fees.

Upon the completion and sale of the homes to income eligible buyers, the proceeds from the sales will be used to satisfy the loans provided to the developer. The developer will sell the properties at or below the appraised value. The buyers must qualify and obtain a first mortgage.

This strategy will be used in conjunction with the Down Payment Assistance Program (see Strategy A). The County will provide a subordinate mortgage under the Down Payment Assistance Program Strategy to each eligible buyer. Eligible down payment costs include the following: Down payment, closing costs, and other costs associated with purchasing a home.

E. Rental Multi-Family Construction/Rehabilitation	Code 14, 21
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a. Summary of Strategy:

Funding may be provided to address affordable housing for very low and low income households and encourage construction of multi-family housing. SHIP funds may be used for site acquisition, site development, and infrastructure improvements, construction costs, financial restructuring of long term debt obligations to ensure long term affordability. Tax credit projects seeking a local government contribution under the Florida Housing Finance Corporation’s funding are eligible for assistance under this strategy. The County may provide a local government contribution in the form of a loan in an amount that meets the current tax credit minimum amount which is required to allow a developer to compete for funding at the State level.

This strategy may also provide funding for acquisition and/or rehabilitation or new construction of multi-family rental developments serving very-low and low income households. The availability of funding will be marketed to the multi-family affordable housing development community and in accordance with SHIP requirements; the availability of SHIP funds, services and selection criteria will be advertised directly to not for profits or through a request for proposals for private developers.

All assisted developments must commit to HUD published rent limits for the term of the agreement and will comply with the very low and low income set aside requirements. If SHIP funds are combined with other state or federal programs, the set-asides from the program that is most restrictive will be used. Orange County will be responsible for monitoring affordability and regular tenant monitoring reports required under the SHIP statute.

b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020 -2021

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

d. Maximum award: \$75,000 per Housing Unit or \$250,000 per group home

e. Terms:

1. Repayment loan/deferred loan/grant:

For tax credit projects: Funds will be provided to the developer as a non-amortizing Deferred Payment Loan (DPL). Developers will be required to enter into a Developer’s Agreement with the county that specifies the terms and conditions under which the funds will be provided.

For non-tax credit projects: Developers will be required to enter into a Developer's Agreement with the county that specifies the terms and conditions under which the SHIP funds will be provided. The County's financial assistance is a loan secured with a recorded mortgage and note that may require repayment at a minimal interest rate.

2. Interest Rate:

0% for tax credit projects and up to 1.5% for non-tax credit projects.

3. Years in loan term:

The terms of the SHIP Loan will be at a minimum 15 years based on the financial capability of the project.

4. Forgiveness:

The developer's agreement will specify the terms based on the financial capability of the project and amount of investment. New construction will have a longer term due to the useful life expectancy of the building. In the event of a foreclosure or deed in lieu of foreclosure, the debt, lien, and affordability period will be considered terminated unless the developer's agreement contains a land restrictive covenant or deed restriction.

5. Repayment: The developer's agreement will specify the terms based on the financial capability of the project.

6. Default:

If a SHIP assisted development is offered for sale prior to the end of its affordability period, affordability requirements will apply without regard to the term of any loan or mortgage or the transfer of ownership and will be imposed by deed restrictions. Proceeds from repayment will be utilized to assist future multi-family developments or other activities that qualify under the County's affordable housing strategies.

f. Recipient Selection Criteria:

Each development must be certified as an affordable housing development by the Housing and Community Development Division. All renters of units assisted using SHIP funds must meet the income requirements described in this plan.

g. Sponsor/Developer Selection Criteria:

County staff will administer activities under this strategy. Developers seeking a local government contribution for a project for Florida Housing Finance Corporation’s funding must be certified as an affordable housing development by the Housing and Community Development Division. The developer must submit the appropriate forms that they want certified by the county administrator to the Housing and Community Development Division for processing. Proposals from sponsors of non-tax credit projects will be evaluated on factors such as economic feasibility, developer experience and financial strength, location of project, special needs priority as identified in the County’s Comprehensive Plan and Consolidated Plan. Special needs or local priorities will be included in a Request for Proposals advertised to all applicants. Developers will be required to submit a complete five year operating pro-forma, line item construction cost estimates and sources and uses statement.

- h. Additional Information:

F. Rental Assistance (Tenant)	Code 13
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- a. Summary of Strategy:

Implement a Rapid Rehousing Program by providing temporary financial assistance and services to very low income persons or families that are homeless or at risk of being homeless. The County will partner with the Homeless Services Network and or other agencies serving the homeless population to provide up to six months of rent assistance and deposits. Deposits may be for the first and last month’s rent, damages incurred to the rental units, and utilities. If a household has at least one adult with special needs as defined by FS 420.0004 (13), or a person who is homeless as defined by FS 420.621, the household may qualify for up to 12 months of rent assistance.

Renters receiving housing assistance through this program will also receive tenant assistance counseling provided by a partnering agency. Regardless of household income, the rent cannot exceed 140 percent of the SHIP Rent Limit adjusted for bedroom size.

- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020 -2021
- c. Income Categories to be served: Very low
- d. Maximum award: \$10,000
- e. Terms:

1. Repayment loan/deferred loan/grant:
2. Interest Rate: 0 %
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A

f. Recipient Selection Criteria:

- Eligible applicants will be assisted on a first qualified, first served basis.
- Applicants must meet income criteria for the program.
- Individuals or families that are homeless or at risk of being homeless as defined in FS 420.621.

g. Sponsor/Developer Selection Criteria:

Orange County will partner with nonprofit homeless providers or agencies to administer the program. The selection criteria for the non-profit organization will include the following but limited to:

- Proven capacity of the organization to do this type of work.
- Proven financial controls and administrative systems in place by the organization to implement a successful program.
- Experience in completing, operating and managing similar projects.
- Demonstrated performance in providing housing services for homeless populations.

The non-profit partner agency will be responsible for applicant intake, income verification, referral and placement of applicants. Orange County will assist with housing quality standards inspections. Orange County will provide training in income verification process as well as follow up monitoring

h. Additional Information:

G. Homeownership Impact Fee	Code 8
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a. Summary of Strategy:

To address affordable housing needs of very low, ~~and~~ low, and moderate

income households and to encourage production of ~~owner-occupied single family homes and townhouses~~, of affordable housing an impact fee subsidy program will be used. Depending on funding availability, up to 100 percent of paid impact fees, excluding water capital and wastewater capital charges, will be reimbursed from SHIP funds.

This incentive will be made available to developers building “for sale” affordable workforce housing units for qualified very low, ~~and low~~ and moderate income persons. “For sale” homes, under this strategy are designed to be used in conjunction with the Down Payment Assistance program and as such, all buyers must meet the eligibility requirements under that strategy. Funding for this program will be made available on a first-qualified, first-served basis. The Impact Fee Subsidy program will provide a subsidy as follows:

Impact Fee Subsidies

Income Category	Subsidy
Very Low	100%
Low	75%
Moderate	0% 50%

- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020 -2021
- c. Income Categories to be served: Very Low, ~~and Low~~ and Moderate
- d. Maximum award: \$15,000 per Unit
- e. Terms:
 - 1. Repayment loan/deferred loan/grant:
For single family owner occupied homes, the developer’s impact fee rebate will be a 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:
The incentive is available to developers building affordable housing for qualified very low and low income persons. The impact fee subsidy is reimbursed to the developer after documentation is reviewed for program compliance including income eligibility of the household.

- g. Sponsor/Developer Selection Criteria:
Orange County Housing staff will administer this program.
- h. Additional Information:
This incentive goes to the developer/builder after the home is sold to a very low or low income person and documents are verified.

H. Rental Impact Fee	Code 19
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- a. Summary of Strategy:
To address affordable housing needs of very low and low income households and encourage production for multi-family affordable units, an impact fee subsidy program will be used. Depending on funding availability, up to 25 percent of paid impact fees, excluding water capital charges and wastewater capital charges, will be reimbursed from SHIP funds.

This incentive will be made available to developers building multi-family affordable workforce housing units for qualified very low and low income persons at or below 60 percent of the area median income.
- b. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- c. Income Categories to be served: Very Low, and Low
- d. Maximum award: Up to \$5,000 per Unit
- e. Terms:
 - 1. Repayment loan/deferred loan/grant:
The developers' subsidy will be a non-amortizing, deferred loan. Developers will be required to enter into a Developer's Agreement with the county that specifies the terms and conditions under which the funds will be provided.
 - 2. Interest Rate: 0%
 - 3. Years in loan term: At least 15 years.
 - 4. Forgiveness: The loan will be forgiven in whole at the end of the affordable period.
 - 5. Repayment: None

6. Default:

The full amount of the loan becomes due and payable if the developer fails to comply with the terms of the agreement.

- f. Recipient Selection Criteria: None
- g. Sponsor/Developer Selection Criteria: Funding for this program will be made available on a first-qualified, first-served basis.
- h. Additional Information:

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.

Orange County's affordable housing expedited review process is described under Orange County Administrative Regulation 4.08.01. Developments certified as affordable by the Housing and Community Development Division and Building Department are "fast-tracked" through the development review process. This policy gives certified affordable housing projects priority on the agendas of the Board of Zoning Adjustment, Planning and Zoning Commission, Development Review Committee and the Board of County Commissioners. Implicit in this policy is that rezoning applications, engineering plan review and sufficiency reviews will be completed in an expeditious manner.

To qualify for the expedited review process, affordable housing projects need to be certified. To be certified, each project requesting the expedited review must meet the earlier referenced threshold criteria. An application detailing the development plan must be submitted. The application illustrates the design and layout of the development and demonstrates that the project is financially feasible. The County's Housing and Community Development Division in conjunction with the Planning Division will review the submitted information. Housing and Community Development Division issues a certificate of affordability for all qualified housing projects. Once a project is certified as an affordable housing project, the developer is entitled to receive priority processing through the County's public hearing process. Specifically, certified projects are given priority time slots on the agendas of the Board of Zoning Adjustment, the Planning and Zoning Commission and the Development Review Committee. The certified projects are also identified so the

Clerk of County Commissioners can schedule them promptly before the Board of County Commissioners.

The expedited review process currently in place in Orange County will save the developer up to 30 days or more for certified affordable housing applications requiring variances or rezoning procedures. In addition, applications requiring a review by the Development Review Committee (DRC) will save anywhere from 14-45 days depending on the level of activity.

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.

Orange County currently has a program for this incentive. A ten (10) member Development Advisory Board (DAB) appointed by the Board of County Commissioners has the primary responsibility of reviewing all Orange County policies, ordinances and regulations affecting land development, with the exception of zoning, and to suggest changes to the Board of County Commissioners. Issues discussed at DAB meetings relating to potential increases in costs to affordable housing are brought back to the Orange County Affordable Housing Advisory Board (AHAB) for discussion.

C. Name of the Strategy: **Affordable Housing Definition**

The definition of affordable housing is cited in the appointing Resolution adopting the first Local Housing Assistance Plan (Resolution No. 93-M21). The definition has since been modified as follows; a housing unit is defined as “affordable” if monthly rents or mortgage payments, including taxes and insurance, do not exceed 30 percent of an amount representing the percentage of the area’s median annual gross income for very low, low and moderate income households. However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing. Housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first mortgage lender and Housing and Community Development Division is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size established by the Corporation. The County has added to its definition of affordable housing to better focus resources used in its various programs. The county defines workforce housing (aka affordable housing) as the attainment of rental or for sale housing to an individual or family whose annual household income, as adjusted for household size, does not exceed 120 percent of the area median income, with an emphasis on households with an annual income between 50 percent to 120 percent of the Area Median Income (AMI).

The levels of affordability used by Orange County and as adopted in the County's Threshold Criteria for Affordable Housing are as follows:

1. Moderate income means total household income between eighty-one percent (81%) and one hundred twenty percent (120%) of the Orlando Metropolitan Statistical Area (MSA) median income.
2. Low income means total household income between fifty-one percent (51%) and eighty percent (80%) of the Orlando Metropolitan Statistical Area median income.
3. Very low income means total household income at fifty percent (50%) and below the Orlando Metropolitan Statistical Area.
4. Extremely low income means total household income at thirty percent (30%) and below the Orlando Metropolitan Statistical Area.

To qualify as an affordable for sale housing development, a proposed single-family development shall designate a minimum of 20 percent of the total number of units to be sold to a workforce household consistent with the income categories described above and the maximum sales price as determined by the County. To be certified as an affordable multi-family housing development, at a minimum 40 percent of the units must be rented to a workforce household whose annual income does not exceed 80 percent of the area median income, or 20 percent of the units must be rented to a workforce household whose annual income does not exceed 50 percent of the area median income.

- D. Name of the Strategy: **Reservation of Infrastructure Capacity**
Reserve infrastructure capacity such as transportation, water, and wastewater for affordable housing development.

All projects must meet similar concurrency review requirements, whether affordable or not. Developers may defer, until they seek a structural building permit, the payment of water and wastewater capital charges (impact fees). Existing Ordinance no. 92-21 (Sec 30-596 and 597 of the Orange County Code) also allows affordable developments to reserve capacity for three years without paying transportation capacity fees until such time that building permits are issued.

- E. Name of the Strategy: **Allowance of Zero-Lot-Line Configurations.**
The allowance of flexible lot configurations such as zero-lot –line configuration for affordable housing.

Orange County Housing Element Policy 1.1.17 of the Comprehensive Policy Plan and Ordinance No. 93-11 encourages the allowance of zero-lot-line configurations. Housing Element Policy 1.1.17 commits Orange County to include innovative housing design criteria, such as zero-lot-line, in the Land Development Code. Ordinance No. 93-11 specifically encourages zero-lot-line configurations and other similar alternative designs in Residential Low Density (R-L-D) Districts. Additionally, a zero-side yard development is permitted in all residential zoning districts provided that certain standards are met.

F. Name of the Strategy: **Inventory of Locally Owned Public Lands Suitable for Affordable Housing.**

The preparation of a printed inventory of locally owned public lands suitable for affordable housing will be listed on Orange County Housing website.

G. Name of the Strategy: **Modification of Impact Fees**

Impact fees are discounted, subsidized, or adjusted for affordable housing developments.

Orange County, through the SHIP program, currently has a strategy to reimburse developers building affordable single family homes for very low and low income households. The reimbursement rate is up to 100 percent of total impact fees for very low income homes and 75% for low income homes. The reimbursement cap per home is \$15,000. For multi-family units, the reimbursement rate is 25%, capped at \$5,000 per unit, for very low or low income units.

For single family occupied homes, developers have to submit a reimbursement request to Orange County Housing along with proper documentation including paid receipts and household income verification. For multi-family developments, developers will have to enter into an agreement with Orange County.

IV. EXHIBITS:

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