



**ESCAMBIA COUNTY / CITY OF PENSACOLA**



**SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**2022-2023, 2023-2024, 2024-2025**



**Table of Contents**

<b>Description</b>	<b>Page #</b>
<b>Section I, Program Details</b>	3
<b>Section II, Housing Strategies</b>	
A. PURCHASE ASSISTANCE	8
B. DEMOLITION / RECONSTRUCTION	9
C. OWNER OCCUPIED REHABILITATION	10
D. NEW CONSTRUCTION	11
E. RENTAL PRESERVATION / DEVELOPMENT	12
F. DISASTER MITIGATION ASSISTANCE	15
G. RENTAL ASSISTANCE	16
<b>Section III, Incentive Strategies</b>	
A. Expedited Permitting	18
B. Ongoing Review Process	18
C. Modification of Impact Fee requirements, including reduction of waiver of fees and alternative methods of fee payment for affordable housing	19
D. The allowance of flexibility in densities for affordable housing	19
<b>Exhibits (list)</b>	20
A. Administrative Budget for each fiscal year covered in the Plan	21
B. Timeline for Estimated Encumbrance and Expenditure	22
A. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan	23
B. Signed LHAP Certification	26
C. Signed, dated, witnessed or attested adopting resolution	28
D. Ordinance: (If changed from the original creating ordinance)	
E. Interlocal Agreement	30



**I. Program Details:**

**A. LG(s)**

Name of Local Government	Escambia County
Does this LHAP contain an interlocal agreement?	Yes
If yes, name of other local government(s)	City of Pensacola

**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 face to face meetings with housing providers, social service providers, local lenders, and neighborhood associations. Public input was solicited through the local newspaper in an advertisement of the Local Housing Assistance Plan on March 18, 2022, publishing information for citizens to access the Plan through the Escambia County and/or City of Pensacola websites. A public comment period will be open for a minimum of 10 business days prior to the plan being submitted to either governmental entity for action. In addition, a Notice of Funding Availability will be published in the local newspaper once allocations for the respective fiscal year are confirmed by State government.

**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. The following priorities for funding applies to all strategies unless otherwise stated in an individual strategy in



Section II. Priority will be given to families meeting set-aside definition as established in SHIP statute. First priority is set for households and persons with special needs as defined in F.S. 420.0004 (13), beginning with households/persons of very low income, followed by households/persons of low income, followed by households/persons of moderate income. A second established priority is to assist very low income household/persons and low income households/persons to ensure compliance with statutory funding percentage targets. Once set-aside have been met and additional funds remain applicants will be maintained in an order that is consistent with the time completed applications were submitted.

Not Applicable

- 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, Legal Services 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](http://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. Escambia County and the City of Pensacola find 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
Escambia County	Administrative Duties	10%
Third Party Entity/Sub-recipient		

- 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:** Project delivery costs include surveys, title work, appraisals, temporary relocation and



storage (Substantial Rehab/Reconstruction activity only), septic tank pump-out, septic tank permit fees, engineering fees, housing market studies (Rental Preservation/Development), environmental reviews, and a service delivery fee for third party agencies administering an activity. A service delivery fee included in the loan amount will be negotiated with a subrecipient agency and include applicant intake, initial inspection, preparation of work specifications and cost estimates, work progress inspections, travel to job site, and project oversight.

Project delivery costs are encountered in the Housing Repair Activity, Substantial Rehab/Reconstruction Activity, Rental Preservation/Development, Rental Assistance. Project delivery costs will be limited to no more than 5% of the project award.

**T. Essential Service Personnel Definition (ESP):** For purposes of this Plan, Escambia County and the City of Pensacola have determined that “essential service personnel” shall include persons in need of affordable housing who meet the following requirements:

1. are permanently employed by a company or organization located within Escambia County, the City of Pensacola, or the Town of Century, all lying within Escambia County, Florida; in one of the following categories:
  - a. Local or State Law Enforcement, Fire, Rescue, and Emergency Services, Public Safety and Emergency Management
  - b. Teachers, Educators, and School District personnel in the public, private and university systems
  - c. Health Care Professionals and support personnel
  - d. Tourism Industry professionals and employees (including hospitality and food service)
  - e. Judicial/Court System management and support personnel
  - f. Skilled building trades personnel
2. have maximum annual income at or below 120% of the Pensacola MSA median income as defined in the SHIP Rule 67-37.

**U. Describe efforts to incorporate Green Building and Energy Saving products and processes:** All improvements will meet Energy Conservation requirements as required by Florida Building Code for new construction or existing buildings, as applicable. The County and City shall, when economically feasible, encourage and support green building products and processes, including energy efficient features in each strategy. According to the type and extent of the repair or reconstruction and the needs of the recipient, the following green and energy products will be utilized when viable on Replacement Housing and Housing Repair activities:

1. Bath fixtures will carry the WaterSense label 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
2. Appliances
  - a. Energy Star qualified refrigerator
  - b. Energy Star qualified water heater
  - c. Energy Star qualified range hood
3. Lighting
  - a. Installation of Energy Star light fixtures and ceiling fans, and/or



- b. Installation of Compact Fluorescent light (CFL) bulbs or LED bulbs in newly installed lighting fixtures
- 4. Heating, Cooling, and Ventilation
  - a. HVAC with minimum SEER rating of 14. One bedroom or smaller units may have a lower SEER rating as identified by energy sheets
  - b. Energy Star qualified bath exhaust fans
- 5. Building Products
  - a. Energy Star qualified windows
  - b. Energy Star qualified doors
  - c. No or Low-VOC paints (50 grams per liter or less or paints carrying GreenGuard certification)

**V. Describe efforts to meet the 20% Special Needs set-aside:** The Special Needs set aside will be met through all strategies, with particular attention given to the Repair and Replacement Housing strategies to provide the opportunity for owner occupants to remain independent in their homes and maintain homeownership. The County and City will perform outreach to, and partners with social service agencies, serving the designated special needs populations to achieve the special needs set-aside.

Persons with special needs, as defined in F.S. 420.0004 (13) means, “an adult requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under F.S. 409.1451(5); a survivor of domestic violence as defined in F.S. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the supplemental Security Income (SSI) program; or from veterans disability benefits.

**W. Describe efforts to reduce homelessness:** While Escambia County no longer is a direct entitlement community for HUD’s Emergency Solutions Grant (ESG) Program, the County continues to provide limited CDBG funds for Emergency Shelter Operations and Services, and the Homeless Management Information System (HMIS) database with the local homeless Continuum of Care, lead, Opening Doors Northwest Florida, Inc. Additionally, funds are utilized for short-term rental assistance, security and utility deposits, and associated eligible activities for income eligible homeless households under the Rapid Re-housing and Homelessness Prevention strategies.

The City of Pensacola administers HUD Veterans Affairs Supportive Housing (VASH) vouchers County-wide to provide homeless veterans with housing choice vouchers as well as Department of Veterans Affairs supportive services. Additionally, the City of Pensacola administers Emergency Housing Vouchers in coordination with local Continuum of Care, lead, Opening Doors Northwest Florida, Inc. to provide vouchers to homeless families, victims of domestic violence, and families who are at risk of homelessness.

Under the Rental Development activity, the County will seek set-asides of units specifically for homeless households. Additionally, the Rental Assistance activity may be used in coordination with agencies serving homeless households to stabilize households for up to 12 months.



**Section II. LHAP Strategies:**

<b>A. PURCHASE ASSISTANCE</b>	Code: 2
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a. Summary: SHIP funds will be made available to support down payment, gap financing, and closing costs for the purchase of an existing or newly constructed home for first time homebuyers. Assistance shall be tailored to the individual affordability and financing needs of the participating homebuyer. Permanent first mortgage financing (exceeding the SHIP Purchase Assistance) will be provided through financial institutions, homebuyer programs and/or private developers/contractors without local guarantee, thereby leveraging a significant volume of private sector financing.

- b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$20,000 Moderate  
\$32,500 Low  
\$45,000 Very Low
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Second Mortgage and Note
  - 2. Interest Rate: 0%
  - 3. Years in loan term: 10 years
  - 4. Forgiveness: 10-year forgiven at 10% per year, provided that the homebuyer is not in default of program terms
  - 5. Repayment: None required as long as the loan is in good standing
  - 6. Default: The sale, refinancing, transfer of ownership, foreclosure by the primary lender, or when the property is no longer the principal residence during the mortgage term shall be considered a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following annual advertisement of the availability of SHIP resources. Priority given first to Very Low followed by Low income to applicants in accordance with program funding distribution percentage requirements.

Homebuyer must meet the following qualifications:

- 1. qualify for a first mortgage through a participating first mortgage lender;
- 2. complete a HUD certified pre-purchase homebuyer education class within the 12 months prior to closing;
- 3. contribute toward the purchase of the home, a minimum of \$1,000 for Moderate Income buyers, \$750 for Low Income buyers, and \$500 for Very Low-Income buyers (this amount can include documented expenses paid outside of closing);
- 4. complete a foreclosure prevention class
- 5. hold less than \$25,000 in liquid assets; and



6. meet the criteria for a first-time homebuyer

g. Sponsor Selection Criteria: Not Applicable

h. Additional Information:

1. The first-time homebuyer requirement will be waived in cases where the applicant meets the definition of “essential service personnel” as provided in Section I (T) of this plan.
2. Certified Home Inspection is required. Cost of home inspection will be applied to borrower’s minimum contribution.
3. Maximum sales price of the home cannot exceed the FHFC published maximum sales price for Escambia County
4. Rehabilitation, if required, will be paid from non-SHIP funds.
5. Mobile/manufactured homes are not eligible.

<b>B. DEMOLITION / RECONSTRUCTION</b>	Code: 4
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a. Summary: Funds under this strategy are provided for the rehabilitation or reconstruction of severely substandard (more than 50% of value of home to repair) owner-occupied single-family units. These units are unable to be addressed through other Consortium repair programs and will be brought up to code through this strategy and will be referred through the housing inspection process or code enforcement.

The size and specifications of the replacement house will be determined by County or, when applicable, City staff. Decisions will be guided by what is minimally required by the family size and composition. If the existing structure/site is determined to need special treatment, extensive site prep, or if the new structure requires additional accessibility features, the County may allocate an additional \$15,000 to offset these costs. This amount will be included in the loan associated with the property and carry the corresponding terms.

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

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

d. Maximum award: \$ 215,000

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Mortgage and Note. Loan will be in a subordinate position to HOME program financing if present (or other associated County/City financing as available).
2. Interest Rate: 0%
3. Years in loan term: 15 years
4. Forgiveness: Loan forgiven at 10% per year beginning in year six, provided that the homeowner is not in default of program terms.
5. Repayment: None required as long as the loan is in good standing.



6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by County or City staff.

f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list with a priority for special needs applicants, then Very Low-Income applicants. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

Applicants must be owner occupants with homestead exemption, property taxes current, and with no outstanding liens or judgments owed to the County or City. Priority will be given to special needs households or applicants with open local government code enforcement citations, or survivors of a disaster as declared by state or federal officials.

g. Sponsor Selection Criteria: Not Applicable

h. Additional Information:

1. The City of Pensacola and Escambia County formed a local Consortium for purposes of receiving Federal, State, and/or other funds that support the local mission of enhancing housing affordability. These programs often require a cash match or local leverage to receive funds, such as the U.S. Department of Housing and Urban Development (HUD) HOME Program.
2. Applicant must have fee simple title and no other liens or mortgages may be present on the property.

<b>C. OWNER OCCUPIED REHABILITATION</b>	Code: 3, 6
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a. Summary: SHIP funds will be used to provide rehabilitation or emergency repair assistance for Very Low and Low Income owner occupied homes to address roofing, electrical, plumbing, sanitary disposal, life/safety conditions, structural code deficiencies, code citations, energy efficiency, accessibility needs, and other related repairs. Consideration for emergency situations will be limited to significant breaches in the structural envelope of the home, accessibility, removal/remediation of dangerous materials, storm hardening specific to insurance policies under threat of removal, or sanitary disposal problems which target health and safety concerns.

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

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

d. Maximum award:

- Owner Occupied Rehabilitation - Very Low and Low \$75,000
- Emergency Assistance – Very low, low, and moderate \$25,000
- Grant – Very low and low \$10,000



- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Deferred Loan or Grant, depending on the proposed project. Loan secured by Mortgage and Note or Lien Agreement. Loan will be in a subordinate position to HOME program financing (or other associated County/City financing as available). Grant only for accessibility program and limited to \$10,000 or less.
  - 2. Interest Rate: 0%
  - 3. Years in loan term: awards under emergency assistance: 5 years; awards up to \$75,000: 10 years;
  - 4. Forgiveness: five-year term loan forgiven at 20% per year, 10-year term loan forgiveness at 10% per year, provided that the home owner is not in default of program terms.
  - 5. Repayment: None required as long as the loan is in good standing.
  - 6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by County or City staff.
  
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list. Applicants must be owner occupants with homestead exemption, property taxes current, and with no outstanding liens or judgments owed to the County or City. Priority may be given to special needs households or applicants with open local government code enforcement citations or survivors of a disaster as declared by local, state, or federal officials.  
  
Households that qualify and are assisted under emergency rehabilitation may remain/be placed on the waiting list for full rehabilitation when applicable. At the time the household is assisted, the undepreciated value of their emergency rehabilitation loan must be subtracted from the eligible award amount. This new loan and accompanying retention document(s) shall take place of the existing program's retention document(s). When applicable, a satisfaction shall be filed in the Escambia County Official Records for the emergency rehabilitation retention document(s).
  
- g. Sponsor Selection Criteria: Not Applicable
  
- h. Additional Information: None

<b>D. NEW CONSTRUCTION</b>	Code: 10
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a. Summary: Following local procurement policy, Escambia County will advertise new construction home projects to local non-profit and for-profit developers and General Contractors. Eligible activities for this strategy may include land acquisition, site development, or new home construction.

Eligible costs will include infrastructure expenses typically paid by the developer including, but not limited to, streets, roadways, parking areas, sidewalks, pathways, walkways, storm-drainage systems, sanitary sewer systems, water supply systems, water mains, connections, hydrants, meters, utility hookups and utility easements for telephone, cable, electric lines, and rights-of-way, and street lighting. Infrastructure expenses must be on-site and must be directly related to the housing being assisted with SHIP funds.

SHIP may pay for all soft costs associated with the development including, but not limited to, preliminary and Final Plat Review, Engineering Service Charges, Recording Fees, Site Plan Review Fees, Minor Review Fees, Surface Water License, Permit to Construct in Right-of-Way, Sewer and Water Installation Fee, Sewer and Water Plan Review, Wastewater License, Building Permits, Road Construction Agreement Review, Traffic Study/Action Plan Review, Environmental Impact Review, Surface Water Permit, Land Use Amendment Review, Septic Tank Permit, and Well Permit, Payment of Impact Fees.

SHIP may pay for hard costs typically or customarily treated as construction costs by institutional lenders or any other reasonable hard costs associated or involved with the development and or construction process.

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

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

d. Maximum award: \$215,000

e. Terms: Homebuyer

1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Mortgage and Note.
2. Interest Rate: 0%
3. Maximum Award: \$125,000
4. Years in loan term: 20 years
5. Forgiveness: Loan forgiven at 5% per year starting in year one, provided that the homeowner is not in default of program terms.
6. Repayment: None required as long as the loan is in good standing
7. Default: The sale, rental, refinancing, transfer of ownership, foreclosure of the primary lender, or when the property is no longer the principal residence during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
8. Restrictive Covenant: Each property may have a restrictive covenant recorded with the deed at the initial purchase to ensure that if the property is resold it will remain affordable to a low-to-moderate income family. The restrictive covenant will remain in effect for the entirety of the 20-year period and will indicate the maximum resale price, process for foreclosures, and legal actions if the agents,



successors, and assignees are found in violation of the program requirements. The use of a restrictive covenant will depend on the use of partnership programs.

Terms: Developer

1. Repayment loan/deferred loan/grant: Deferred Payment construction lien placed on the property during construction, which will be released upon sale of the home to an eligible buyer.
  2. Interest Rate: 0%
  3. Years in loan term: not to exceed two years
  4. Forgiveness: Not Applicable
  5. Repayment: Benefit of the loan is passed through to the eligible buyer
  2. Default: If the home is not sold to an eligible buyer within two years, the loan is due and payable.
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis. Homebuyer must meet the following qualifications:
1. Complete a HUD certified homebuyer education class within the 12 months prior to closing;
  2. Contribute toward the purchase of the home, a minimum of \$500 and;
  3. hold less than \$25,000 in liquid assets
- g. Sponsor Selection Criteria: Selection of a developer and/or sponsor will be based upon responses to an advertised request for proposal. Selection criteria will include:
1. nonprofit or for profit locally based with expertise in affordable single family housing construction and marketing units to Very Low Income families;
  2. amount of non-SHIP funds or value of in-kind services committed as SHIP leverage;
  3. unit production goals in relation to SHIP funding request;
  4. use of green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the production or preservation of housing units;
  5. percentage of units targeted to Very Low-Income families; and
  6. documentation of the agency's employment or planned employment of personnel from the Welfare Transition Program or other community training shall result in a priority for award of SHIP funds assuming the agency demonstrates capacity to implement the subject SHIP activity.
- Proposals meeting the RFP requirements will be evaluated by the County and/or City Housing staff, or a committee comprised of County and/or City representatives, to determine the agency or organization that will implement the strategy. Final selection and contract approval will be provided by the County Commission or City Council. The RFP may solicit participation for the full three-year LHAP period.
- h. Additional Information: Not Applicable

<b>E. RENTAL PRESERVATION / DEVELOPMENT</b>	Code: 14, 21
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<p>a. Summary: SHIP funds will be expended to support the preservation or development of affordable rental housing or special needs housing (as defined in 420.0004 (13)) for eligible persons through new construction, acquisition of property or existing rental units, and/or rehabilitation/redevelopment of existing rental units.</p>
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- 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: Up to \$ 150,000 per unit as determined by a subsidy layering review; \$500,000 maximum provided per development
- e. Terms:
  1. Repayment loan/deferred loan/grant: Deferred Payment Loan or Grant depending on proposed project secured by Mortgage and Note or Deed Restriction. Grants will only be provided to developments receiving \$10,000 or less.
  2. Interest Rate: 0%
  3. Years in loan term: 15 year minimum on all projects and 20 year minimum on any new construction project co-funded with local HOME funds. A longer term may be considered if specifically required by HUD, FHFC, RD or other primary lender as a condition for project financing.
  4. Forgiveness: As defined in the applicable mortgage and note. For deferred payment loans, a portion of the loan will be forgiven as follows provided the project is not in default of program requirements:

15 YEAR LOAN	20 YEAR LOAN
Years 0-4: No forgiveness	Years 0-4: No forgiveness
Years 5-9: 25%	Years 5-9: 25%
Years 10-14: 25%	Years 10-14: 25%
Year 15: 50%	Years 15-19: 25%
	Year 20: 25%

5. Repayment: Not required as long as the development is not in default of any program terms.
  6. Default: As defined in the applicable mortgage and note or deed restriction, recapture of the outstanding loan balance of SHIP funds invested is required upon default. A default is the sale, transfer or conveyance of the property prior to term expiration; conversion to a non-approved use; failure to maintain standards for compliance as required by funding sources, including income eligibility of tenants and rents limits. The sale of properties assisted with SHIP funds shall require approval of the Board of County Commissioners and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note.
- f. Recipient/Tenant Selection Criteria: Tenants will be assisted on a first qualified, first served basis.
  - g. Sponsor/Sub-recipient Selection Criteria: Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. Priority may be given to developments that serve Very Low Income households and/or targeted populations such as homeless persons, veterans, elderly households, or special needs households as defined in Section I(U) of this Plan.

\*CHDO sponsored “set-aside” rental project(s) co-funded with local HUD HOME funds will be undertaken



in partnership with an eligible, locally designated CHDO. CHDO project selection criteria shall include the following at a minimum, as applicable:

1. agency must be a locally designated CHDO and a 501(c)3 non-profit;
2. agency's previous rental development experience (agency staff);
3. conformity with Escambia Consortium Consolidated Plan goal(s) for rental housing;
4. total (aggregate) cost per unit all funding sources;
5. subsidy level per unit and SHIP cost per unit;
6. ratio of private funds to public funds;
7. ratio of other funds to SHIP funds;
8. compliance with preservation or new construction preference;
9. rental development bedroom size mix;
10. percentage of units targeted to families below 30% or 50% of Area Median Income;
11. commitment to use green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the construction, repair, or preservation of housing units;
12. proposed development site located in a designated Community Redevelopment Area (CRA) or other targeted area;
13. target date for Project commitment and completion;
14. documentation of the agency's employment or planned employment of individuals through the Welfare Transition Program shall result in a priority for award of SHIP funds assuming the agency demonstrates the capacity to implement the subject SHIP activity.

\*Non-CHDO (non-profit and/or for profit) projects will be accepted through an RFP process and will be evaluated at the time of submission to maximize the potential for integration of resources (FHFC, HUD, RD, etc.). Project selection criteria at a minimum will include:

1. experience in development of affordable rental housing;
2. proof of financial capacity for development of units and sufficient cash flow to maintain operation of the units for affordable housing;
3. site control (or contract for sale);
4. ability to proceed;
5. management capacity of affordable rental housing and targeted population if part of the RFP;
6. leveraging ability;
7. commitment to use green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the construction, repair or preservation of housing units;
8. services/amenities to be offered at the units; and
9. percentage of units targeted to families below 30% or 50% of Area Median Income

As applicable, proposals from nonprofit sponsors or for-profit sponsors will be evaluated by the County and City Housing staff, or a committee comprised of County and City representatives, to determine the agency or organization that will implement the strategy. Final selection and contract approval will be provided by the County Commission or City Council.

h. Additional Information:

1. Funds may be used to support costs directly associated with project development, including architectural and engineering costs, appraisals, permitting fees as well as land acquisitions and construction expenses.



2. Funding is intended to be used as gap financing for the development. However, in cases where the proposed development is 50 units or less, the County may decide to provide a larger amount of funding if the developer is providing units specifically for special needs, homeless, or Very Low Income households.

<b>F. DISASTER MITIGATION ASSISTANCE</b>	Code: 5, 16
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a. Summary: SHIP funds may be used in all areas of Escambia County and the City of Pensacola to provide assistance to families in the aftermath of a "disaster as declared by President or Governor issued Executive Order(s)". Generally, such needs shall include such items as: purchase of emergency supplies for eligible homeowners to weatherproof damaged homes; interim repairs to avoid further damage to the homes of eligible families; tree and debris removal required to make individual housing units habitable by the eligible family; payment of insurance deductibles for rehabilitation of homes covered under homeowner's insurance policies; security deposit for eligible recipients that have been displaced from their homes due to disaster; rental assistance for eligible recipients that have been displaced from their homes due to disaster; strategies included in the approved LHAP that benefit applicants directly affected by the declared disaster; and other activities as proposed by the County/City and approved by Florida Housing Finance Corporation. This strategy will utilize funds not yet encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation.

- 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 (insurance deductible not to exceed \$3,000 included within the maximum award)
- e. Terms :
  - 1. Repayment loan/deferred loan/grant: Grant
  - 2. Interest Rate: Not Applicable
  - 3. Years in loan term: Not Applicable
  - 4. Forgiveness: Not Applicable
  - 5. Repayment: Not Applicable
  - 6. Default: Not Applicable
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following the declaration of the disaster. Priority may be given to households with special needs, Low and Very Low Income households, and households that qualify as elderly as defined in 420.503, F.S.  
  
Owner occupant applicants must have homestead exemption, property taxes current, mortgage and property insurance (if present) current, and with no outstanding liens or judgments owed to the County or City. Rental applicants may not have outstanding liens or judgments owed to the County or City.
- g. Sponsor Selection Criteria: Given the emergency nature of this activity, a sponsor may be used for implementation of this strategy where assistance may not be carried out by County or City staff. Funding



under this strategy will be awarded through a competitive Request for Proposals (RFP) process.

- h. Additional Information:
1. This strategy may be leveraged with other federal, state, or local funding as well as volunteer labor.
  2. In the event of a "presidentially or state declared disaster," up to 25% of the available Escambia/Pensacola SHIP Program funds may be immediately utilized to meet emergency housing repair and recovery needs of SHIP eligible families. In the event of such an occurrence, the County shall notify the Florida Housing Finance Corporation (FHFC) of such action by written letter, facsimile, or e-mail within 15 days of the date of the disaster declaration.
  3. No duplication of benefits may be provided. Applicants must provide proof of assistance received from insurance, FEMA, or other resources. Insurance proceeds must be used before SHIP funds, except for payment of insurance deductible.
  4. Assistance to owner occupants provided only on primary residences.
  5. Rental assistance may be provided for up to twelve months after the disaster declaration made by Executive Order. SHIP funds may not be used to pay for rental arrears.
  6. SHIP funds under this activity will generally be paid directly to contractors, landlords or their agents, insurance companies, etc. However, emergency funds may be provided directly to the applicant for some emergency disaster related expenses, such as the reimbursement of tarps, emergency tree and debris removal, and other temporary measures to avoid further damage to the property.

<b>G. RENTAL ASSISTANCE</b>	Code: 13, 23, 26
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a. Summary: Funds will be awarded to renters that are in need of assistance with obtaining a lease on a rental unit. This may include utility deposits, security deposits, and eviction prevention up to three months' rent. For households that are Very Low Income and have one adult with special needs according to 420.0004 (13) or that are homeless as defined in 420.621 at time of application, rent equal to no more than twelve months' rent assistance is eligible.

- b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025
- c. Income Categories to be served: Very Low and Low
- d. Maximum award: \$7,500 (\$2,500 max for security/utility deposits and/or eviction prevention; \$5,000 max for rental assistance); \$14,500 for special needs homelessness prevention (\$2,500 max for security/utility deposits; \$12,000 max for rental assistance)
- e. Terms:
1. Repayment loan/deferred loan/grant: Grant
  2. Interest Rate: Not Applicable
  3. Years in loan term: Not Applicable
  4. Forgiveness: Not Applicable
  5. Repayment: Not Applicable
  6. Default: Not Applicable



- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Very Low Income applicants, Special Needs Households, and Homeless Households. Rental Assistance is only available to Very Low Income special needs or homeless households as defined in this plan. Security and utility deposits and eviction prevention is available to Low Income households.
- g. Sponsor Selection Criteria: Sponsors will be selected to administer the Rental Assistance Program. Criteria for sponsor organization selection will include:
  - 1. Past experience working with target population;
  - 2. Past experience administering rental assistance programs; and,
  - 3. Participation in Continuum of Care Coordinated Entry system (for homeless)
- h. Additional Information: Applicants may be referred to the County through supportive services or other community-based organizations. Funds to be paid directly to landlord or utility company.

### 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:

**Escambia County:** The County is continually reassessing the permitting function to improve permit processing efficiency and reduce the time required for issuing residential permits. The Building Services and Development Services Departments will take actions necessary to expedite and/or avoid delay of affordable housing developments which incorporate financing via Federal, State or designated local affordable housing programs or initiatives. Such developments will be given review priority in accordance with provisions of the Housing Element of the Escambia County Comprehensive Plan. The current permitting review process for single family homes or duplexes in established/platted, properly zoned subdivisions shall be generally retained as this process provides a permit turnaround time of less than four days. Permit applications inquire whether the development is receiving affordable housing funding.

**City of Pensacola:** Expedited processing of permits includes development orders and development permits including building permits, zoning permits, subdivision approval, rezoning, certification, special exception or variance approvals. The City's process is an online centralized process. The present system provides excellent expedited central "one-stop" process for affordable housing projects located within the City. The application provides an



applicant the opportunity to note if the project is being supported with affordable housing funding. The City will provide for priority processing of affordable housing applications in the event a backlog is experienced.

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.

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

The Affordable Housing Advisory Committee as appointed by the Board of County Commissioners and the City Council is directed to review local government policies and procedures that may impact affordable housing costs negatively and provide reports annually. The AHAC is staffed by County and City Housing staff. Additionally, each local government also provides ongoing reviews as follows:

**Escambia County:** The County Comprehensive Plan Housing Element stipulates the County's commitment to review all policies, rules, procedures, regulations, ordinances, and similar provisions to ensure that potential impacts upon housing affordability are identified prior to adoption, and that the adopting entity is advised of the potential impacts upon housing affordability for consideration during the review and adoption process. Reviews are completed as required based upon ordinances and policies that are presented for consideration by the Board of County Commissioners. Such review and commentary are administratively handled through the Escambia County Neighborhood & Human Services Department and the Development Services Department, which incorporates input as needed by local housing and community development professionals.

**City of Pensacola:** The Land Development Code has been reviewed and revised in a manner that makes affordable housing development viable. Continued periodic reviews will examine eliminating excessive requirements that limit affordable housing development. Such review and commentary are administratively handled through the City's Planning Services with input as needed by local housing and community development professionals.

C. Other Incentive Strategies Adopted:

1. THE MODIFICATION OF IMPACT FEE REQUIREMENTS, INCLUDING REDUCTION OF WAIVER OF FEES AND ALTERNATIVE METHODS OF FEE PAYMENT FOR AFFORDABLE HOUSING.

Escambia County and the City of Pensacola do not have impact fee requirements.

**City of Pensacola:** The City's Lien Release Policy for Affordable Housing Infill Projects (1/10/11) provides for waiver of liens for affordable infill projects.



## 2. THE ALLOWANCE OF FLEXIBILITY IN DENSITIES FOR AFFORDABLE HOUSING

**City of Pensacola:** The City's Comprehensive Plan and Land Development Code allows for density flexibility generally through the Special Planned Development process.

A complete copy of both Escambia County and the City of Pensacola's Affordable Housing Incentive Strategies and the 2021 Report are on record with Florida Housing Finance Corporation and the Florida Housing Coalition, and are available on respective County and City websites or may be requested electronically from: ned@myescambia.com or mwhitaker@cityofpensacola.com.

### 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.