ESCAMBIA COUNTY / CITY OF PENSACOLA

SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2019-2020, 2020-2021, 2021-2022

Table of Contents

Description	Page #
Section I: Program Details	**3**
Section II: Housing Strategies	
A. Purchase Assistance	**8**
B. Replacement Housing	**9**
C. Housing Repair	**10**
D. New Construction	**11**
E. Rental Preservation/Development	**13**
F. Disaster Mitigation Assistance	**15**
G. Rental Assistance	**16**
Section III: Incentive Strategies	
A. Expedited Permitting	**18**
B. Ongoing Review Process	**18**
C. Other Incentive Strategies	**19**
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 F. Ordinance: (If changed from the original creating ordinance) G. Interlocal Agreement	

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: 2019-2020, 2020-2021, 2021-2022

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 on March 8, 2019, publication of information on the Escambia County and City of Pensacola websites, and the Notice of Funding Availability, which will be published annually in the local newspaper upon receipt of annual allocations.

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:

N/A

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

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

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

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

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

O. Monitoring and First Right of Refusal: In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount

of $10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

P. Administrative Budget: A line-item budget is attached as Exhibit A. 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	Percentage
Escambia County	Administrative Duties	100%
Third Party Entity/Subrecipient	N/A	

R. Project Delivery Costs: Most costs to administer the various program activities will be covered in the County or City's administrative budget. In cases where an activity is outsourced to a third party, a service delivery fee may be allowed to cover costs associated with providing the service to a household to offset the costs with managing the activity. A service delivery fee will most likely be utilized in conjunction with 3rd party administration of the Housing Repair Activity and will cover applicant intake, initial inspection, work specifications, cost estimates, work progress inspections, recording fees, travel to the job site, and general project oversight.

For the Rental Development activity, the City/County may include appraisals, surveys, housing market studies, environmental reviews, third party underwriting or construction oversight, etc. as a project delivery cost to be included within the cost of the project

S. Essential Service Personnel Definition: 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.

T. 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)

U. 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 development 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.

V. Describe efforts to reduce homelessness: Escambia County is a direct entitlement community for HUD's Emergency Solutions Grant (ESG) Program. Under this program, the County directs 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.

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:

A. PURCHASE ASSISTANCE	Code: 1,2

a. Summary: SHIP funds will be made available to support down payment and closing costs for the purchase of an existing or newly constructed affordable housing unit on a one-time basis to income eligible first time homebuyers including very low, low and moderate income families. Assistance shall be tailored to the individual affordability and financing needs of the participating homebuyer to enable the purchase of an existing or newly constructed home which does not exceed the maximum total cost as identified below. 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: 2019-2020, 2020-2021, 2021-2022

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

d. Maximum award: $7,500

e. Terms (all six items must be completed or "N/A")
1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Second Mortgage and Note
2. Interest Rate: 0%
3. Years in loan term: 5 years
4. Forgiveness: Loan forgiveness at 20% per year, provided that the homebuyer is not in default of program terms
5. Repayment: None provided that the loan is in good standing.
6. Default: The sale, refinancing, transfer of ownership, 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.

f. Recipient Selection Criteria: Assistance provide on a first qualified, first served basis following annual advertisement of the availability of SHIP resources. Priority given to Low and Very Low Income applicants.

Homebuyer must meet the following qualifications:
1. qualify for a first mortgage through a participating first mortgage lender;
2. participate in a HUD certified homebuyer education class within the 12 months prior to closing;
3. contribute a minimum of $1,000 toward the purchase of the home (this amount can include documented expenses paid outside of closing);
4. take a foreclosure prevention class post-purchase;

5. hold less than $25,000 in liquid assets; and
6. meet the criteria for a first time homebuyer, which is defined as:
(a). a person that has not owned a home or had ownership interest in a homestead property in the previous three (3) years;
(b). a person that has only owned with another individual and does not currently own a home or have interest in a homesteaded property; or
(c). a person who has only owned a principal residence not permanently affixed to a permanent foundation, or a property that was not in compliance with State, local, or model building codes and cannot be brought into compliance for less than the cost of constructing a permanent structure.

g. Sponsor Selection Criteria: Not applicable

h. Additional Information:
1. The first-time homebuyer requirement may be waived in cases where the applicant meets the definition of "essential service personnel" as provided in Section I(S) of this plan.
2. Certified Home Inspection is required. Cost of home inspection may be applied to borrower's minimum contribution.
3. Maximum sales price of the home cannot exceed $189,000.

B. REPLACEMENT HOUSING (SUBSTANTIAL REHAB/RECONSTRUCTION)	Code: 3,4

a. Summary: Funds under this strategy are provided for the substantial rehabilitation or reconstruction of severely substandard 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.

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. Such programs often require a cash match or local leverage to receive the funds, such as the U.S. Department of Housing and Urban Development (HUD) HOME Program. The local cash matching is unavailable except through the resources provided by the SHIP Program.

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

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

d. Maximum award: $100,000

e. Terms (all six items must be completed or "N/A"):
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: 5 years
4. Forgiveness: Loan forgiven at 20% per year, provided that the homeowner is not in default of program

terms.

5. Repayment: None provided that 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 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 to very low and special needs applicants.

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 state or federal officials.

g. Sponsor Selection Criteria: N/A

h. Additional Information: None.

C. HOUSING REPAIR	Code 3

a. Summary: SHIP funds will be used to provide minor 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.

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

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

d. Maximum award: $30,000

e. Terms (all six items must be completed or "N/A"):

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 (or other associated County/City financing as available).
2. Interest Rate: 0%
3. Years in loan term: 5 years
4. Forgiveness: Loan forgiven at 20% per year, provided that the homeowner is not in default of program terms.
5. Repayment: None provided that 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 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.

g. Sponsor Selection Criteria: Unless implemented directly by City or County staff, selection will be based upon responses to an advertised request for proposals. Selection criteria will include:

1) past experience of agency in managing emergency or moderate housing repair assistance activities;
2) projected SHIP cost per housing unit;
3) commitment of non SHIP funds as leverage for SHIP dollars;
4) unit production goals for housing repair in relation to SHIP funds requested;
5) commitment to use green building technologies, energy efficient measures, and/or use of recycled building materials or components in the repair or preservation of housing units;
6) commitment to limit assistance to very low income or special needs households; and
7) documentation of the agency's employment or planned employment of personnel from the Welfare Transition Program shall result in a priority for award of SHIP funds assuming the agency demonstrates capacity to implement the subject activity.

h. Additional Information: None.

D. NEW CONSTRUCTION	Code: 10

a. Summary: SHIP funds will be made available to non profit or for-profit developers to partially underwrite the costs of constructing affordable workforce homes for families. These funds will enhance affordability and enable the developer to increase the number of affordable housing units produced for SHIP eligible homebuyers within the local area. The focus of this strategy is upon unit production primarily targeting very low income families. All or a portion of the SHIP funds invested into the unit will be converted to principal mortgage reduction assistance upon sale of the home to a SHIP eligible buyer (amount based on individual buyer financing needs).

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

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

d. Maximum award: $20,000 for moderate income households; $30,000 for low and very low income households

e. Terms (all six items must be completed or "N/A"):

1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Second Mortgage and Note.
2. Interest Rate: 0%
3. Years in loan term: 5 years
4. Forgiveness: Loan forgiven at 20% per year, provided that the homeowner is not in default of program terms.
5. Repayment: None provided the loan is in good standing.
6. Default: The sale, rental, refinancing, or transfer of ownership, 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.

f. Recipient Selection Criteria: Assistance provided on a first qualified/first served basis. Homebuyer must meet the following qualifications:
1. qualify for a first mortgage through a qualified first mortgage lender or approved not for profit sponsor providing first mortgage financing;
2. participate in a HUD certified homebuyer education class within the 12 months prior to closing;
3. contribute a minimum of $1000 for moderate income buyers, $750 for low income buyers, and $500 for very low income buyers toward the purchase of the home (this amount can include documented expenses paid outside of closing); and
4. hold less than $25,000 in liquid assets

g. Sponsor Selection Criteria: If not administered by the County or City, 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 agency's locally based expertise in affordable single family housing construction and marketing;
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. The RFP may solicit participation for the full three-year LHAP period.

h. Additional Information: N/A

E. RENTAL PRESERVATION/DEVELOPMENT	Code: 14, 21

a. Summary: SHIP funds expended through this strategy will be primarily expended to support the preservation or development of affordable workforce rental housing or special needs housing (as defined in FAC 67-37.002 (21)) for eligible persons through new construction, acquisition of property or existing rental units, and/or rehabilitation/redevelopment of existing substandard rental units. These rental development project(s) will be undertaken with a local HOME Community Housing Development Organization (CHDO) or a 501(c)(3) non-profit affordable housing sponsor selected through an open proposal submission process; OR with a non-profit or private for profit developer in conjunction with the annual Florida Housing Finance Corporation (FHFC) Request for Applications, annual HUD Section 202/Section 811 cycles, Rural Development/USDA (RD) rental development cycles, or other publicly announced funding cycles as offered by FHFC, HUD, RD or other Federal/State agencies for the preservation or development of rental housing.

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

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

d. Maximum award: Up to $80,000 per unit as determined by a subsidy layering review. $500,000 maximum provided per development.

e. Terms (all six items must be completed or "N/A"):

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 0% interest, 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 SHIP funds invested is required upon default, unless a depreciating balance is incorporated into the terms in which case the undepreciated portion shall be due and payable 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/HOME 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 Selection Criteria: Recipients 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.

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.

F. DISASTER MITIGATION ASSISTANCE	Code: 5, 16, 27

a. Summary: SHIP funds may be used in all areas of Escambia County and the City of Pensacola to provide assistance to very low, low, and moderate income families in the aftermath of a "disaster as declared by presidential or state 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. This optional strategy will be implemented only in the event Executive Order(s) are issued confirming that a "presidentially or state declared disaster" has directly impacted the Escambia County area. This strategy will utilize funds not yet encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation.

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

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

d. Maximum award: $15,000 (insurance deductible not to exceed $3000)

e. Terms (all six items must be completed or "N/A"):

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 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

h. Additional Information:
1. The strategy will be advertised annually along with notice of all SHIP resources; however, the strategy will be implemented only in the event of a ~~local,~~ state, or federally declared disaster. 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. 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.

G. RENTAL ASSISTANCE	Code: 13, 23, 26

a. Summary: Funds will be awarded to renters that are in need of a 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: 2019-2020, 2020-2021, 2021-2022

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

d. Maximum award: $7500 ($2500 max for security/utility deposits and/or eviction prevention; $5000 max for rental assistance)

e. Terms (all six items must be completed or "N/A"):
1. Repayment loan/deferred loan/grant: Grant
2. Interest Rate: N/A
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A

f. Recipient Selection Criteria: Applicants will be 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 may be selected to administer the Rental Assistance Program. Service delivery costs may not exceed 10% of the activity allocation. 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 land use, building, and planning functions have been examined at the staff level to identify areas for improving the permitting procedures and process. The City's process is already centralized with an average process of three days for a building permit. The present system provides excellent expedited central "one-stop" process for affordable housing projects located within the City. The permit 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 permit applications in the event a backlog is experienced which increases the routine permit approval period to 7 days.

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 at least every three years. 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:

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

Escambia County: The County's Housing Element (HOU.1.2.3) provides for development types with flexibility for density, through a Planned Unit Development, Cluster Developments as identified in its Comprehensive Plan and Land Development Code.

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

3. THE PREPARATION OF A PRINTED **INVENTORY** OF LOCALLY OWNED PUBLIC LANDS SUITABLE FOR AFFORDABLE HOUSING DEVELOPMENT.

City of Pensacola: The City prepared an updated list of City owned properties suitable for affordable housing in 2016. In August 2017, the City established the Housing Initiatives Fund to support City affordable housing programs, which is funded through the sale of these identified City owned properties.

A complete copy of both Escambia County and the City of Pensacola's Affordable Housing Incentive Strategies and the 2019 Report are on record with Florida Housing Finance Corporation, are available on respective County and City websites or may be requested electronically from: ned@myescambia.com or mwhitaker@cityofpensacola.com.

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.

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

G. Interlocal Agreement.

H. Other Documents Incorporated by Reference.