

Section II. Housing Strategies

A. OWNER OCCUPIED REHABILITATION	Codes 3 & 4
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a. Summary: This strategy provides for the repair of existing homes and may include demolition and reconstruction. Funds will be awarded to owner occupied homes to correct code violations, health and safety issues, HVAC, electrical, plumbing, roofing, windows, structural items and accessibility to substantially rehabilitate the home, or demolish and reconstruct the home. When an applicant's home that has been approved for rehabilitation, but is determined to be beyond reasonable repair (more than 50% of structure is deemed unlivable and estimated rehabilitation costs exceeds maximum award for the Owner Occupied Rehabilitation Program), the home may be eligible for demolition and reconstruction of a new home through the House Replacement Program. This strategy also includes contingency funding to cover unexpected costs during the construction project as follows: 1) Maximum 10% for Roof Replacement Program; 2) Maximum 10% for Owner Occupied Rehabilitation Program; and 3) Maximum 5% for House Replacement Program. In addition, the House Replacement Program may provide supplementary funding for applicants to assist with temporary relocation costs related to the construction project such as moving services, moving truck rentals, temporary housing, and storage rentals.

- b. Fiscal Years Covered: 2020-2021, 2021-2022, 2022-2023
- c. Income Categories to be served: Very low and low
- d. Maximum award:
- | | |
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| 1. Roof Replacement Program | \$20,000 |
| 2. Owner Occupied Rehabilitation Program | \$70,000 |
| 3. House Replacement Program | \$130,000 <u>175,000</u> |
- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
 2. Interest Rate: 0%
 3. Years in loan term:

a. Roof Replacement Program	5
b. Owner Occupied Rehabilitation Program	10
c. House Replacement Program	20
 4. Forgiveness: Loan is forgiven after term years:

a. Roof Replacement Program	5
b. Owner Occupied Rehabilitation Program	10
c. House Replacement Program	20
 5. Repayment: None required as long as loan is in good standing
 6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property; or failure to occupy the home as primary residence. If any of these occur during the term of the Loan, the outstanding balance will be due and payable. In the event that the owner(s) executing the mortgage and

note dies during the term of the loan, the loan shall be considered satisfied and will no longer constitute a lien against the property.

A homeowner may need to refinance and/or sell the home due to extenuating circumstances such as loss of wages, job transfers, divorce, death, and/or health related issues. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

- Subordination: A subordination of a loan for the purpose of refinancing an existing debt that is in the superior lien position to the loan may be allowed for situations such as, to obtain a lower interest rate, debt consolidation, to make home improvements or improvements to the property, payment of medical expenses, and illness. No cash out to the homeowner. However, when a hardship exists such as, divorce, death, and health related issues, an exception may be considered in accordance with the guidelines of the City's Loan Subordination Procedure, as amended.
- Forgiveness: Forgiveness of the loan will be approved in accordance with the guidelines of the City's Loan Forgiveness Policy, as amended. If a homeowner needs to sell the home due to a hardship such as divorce, death, and/or health related issues, the homeowner may be eligible to request a loan forgiveness for all or a portion of the loan. Staff will work with the mortgage holders and/or legal representatives to recapture any funds available to satisfy the lien.
- Foreclosure: If a property is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that sufficient funding may be available to justify pursuing repayment. If sufficient funding is available, recapture of the loan will be repaid to the SHIP Program and/or other leveraged program funding based on the percentage of the funding invested in the project, as applicable.

f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed and approved based on a first-qualified, first-served basis with the following priorities:

1. Homeowners with a developmental disability as defined in 393.063.
2. Households with household member with developmental disability.
3. Households with other disabilities and special needs, as defined by F.S. 420.0004 (13).
4. All other applicants that qualify.

After serving enough Special Needs households to meet the 20% set-aside for the funding year, all applicants determined to be eligible will be considered for Homeowner Rehabilitation Program assistance based upon a first-qualified, first-served basis.

g. Sponsor Selection Criteria: N/A

h. Additional Information: To be eligible for the Owner Occupied Rehabilitation Program and House Replacement Program, the homeowner must have owned and occupied the property as their primary residence for at least five (5) years prior to applying for program assistance.

Mobile homes are not eligible to receive assistance from this program.