



**FLAGLER COUNTY & CITY OF PALM COAST**

**STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)**

**LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**State Fiscal Years**

**2019-2020, 2020-2021, 2021-2022**

Approved by the Flagler County Board of County Commissioners

Date: June 3, 2019

Approved by the Palm Coast City Council

Date: June 18, 2019





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**I. Program Details:**

**A. Local Government(s)**

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

**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 and the Notice of Funding Availability.

**H. Advertising and Outreach:** SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

**I. Waiting List/Priorities:** A notification list will be established when there are interested applicants for strategies that no longer have funding available. Those households on the notification list will be notified periodically of funding availability. No waiting list will be maintained as assistance is provided on a first-qualified, first-served basis with the established funding priorities described in this plan.



The following priorities for funding described/listed here apply to all strategies unless otherwise stated:

- a. Special Needs
  - i. Very Low Income
  - ii. Low Income
  - iii. Moderate Income
- b. Essential Services Personnel
  - i. Very Low Income
  - ii. Low Income
- c. Non-Special Needs and Non-Essential Services Personnel
  - i. Very Low Income
  - ii. Low Income

**J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.

**K. Support Services and Counseling:** Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, and Financial Coaching and Budget Management through qualified HUD-approved agencies. When funding is available the County will contract with HUD-certified agencies to provide comprehensive housing counseling and education services to residents in need of affordable housing.

**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](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. The County finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

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

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states:** “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.” The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. **Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Percentage
Local Government	All administrative duties	100%
Third Party Entity/Sub-recipient	N/A	

- R. **Project Delivery Costs:** Range between 2-5% of the award for expenses not covered by administrative budget, such as home inspections, title searches, recording fees, as well as housing counseling and education services.
- S. **Essential Service Personnel Definition:** All county residents meeting program income limits and working full-time as a first responder, educator, or health care professional.



- T. Describe efforts to incorporate Green Building and Energy Saving products and processes:** Flagler County encourages the incorporation of sustainable, storm-resistant innovative design and energy and water conservation into new construction and rehabilitation projects for ongoing sustainability and affordability. The County will, when economically feasible, employ the following Green Building requirements on new construction, rehabilitation and emergency repair projects:
1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
  2. Low-flow or high-efficiency water fixtures in bathrooms—Florida Water Star qualified or WaterSense labeled products or the following specifications:
    - a. Toilets: dual flush, 1.28 gallons/flush or less,
    - b. Faucets: 1.5 gallons/minute or less,
    - c. Showerheads: 2.0 gallons/minute or less;
  3. Energy Star qualified water heater;
  4. Energy Star qualified refrigerator;
  5. Energy Star qualified dishwasher, if provided;
  6. Energy Star qualified washing machine, if provided in units;
  7. Energy Star qualified exhaust fans in all bathrooms; and
  8. Air conditioning: Minimum SEER of 16. Packaged units are allowed in studios and one bedroom units with a minimum of 11.7 EER.
  9. Attic (ceiling) insulation: Minimum of R-38
  10. Light Emitting Diode (LED) bulbs or Energy Star light bulbs

Flagler County obtained its Green Local Government Designation from the Florida Green Building Coalition. Flagler County will adhere to the Florida Board Code Provision. Contractors working on SHIP rehabilitation and replacement homes will have to identify from the most current Florida Green Building Coalition (F.G.B.C) checklist for which items they are in compliance.

The City of Palm Coast adopted Resolution No. 2008-75 in May 2008 which positioned the City with a “Leading by Example” posture. With this resolution and in relation to housing, the City committed to evaluate green development incentives and mandatory land development regulations.

As a result of Resolution 2008-75, the City of Palm Coast adopted the Unified Land Development Code (Ordinance 2008-16), which incorporated fifty-seven green elements into the code. In addition, the City of Palm Coast City Council adopted the Green Development Incentive Program Ordinance (Ordinance No. 2009-22) and Green Incentive Fee Waiver Resolution (Resolution No. 2009-182).

The City Council subsequently adopted Resolution 2013-132 which established a \$10,000 annual program budget for the Green Development Incentive Program. The budget facilitates a voluntary program that promotes established green certification programs through an incentive-based approach. This Program provides reimbursement for building permit fees as follows: (a) New residential construction (\$300), (b) Residential retrofitting/remodeling (\$300), (c) New commercial/non-residential construction (\$1,000), and (d) Existing commercial/non-residential construction (\$1,000). In addition, this Program provides the following incentives: permit review fast tracking, one (1) no-cost Florida Green Building Coalition (FGBC) certification review by City staff per Program Participant for new single-family homes, educational workshops for general public and program participants, and promotion of participants and associated projects through City media



resources.

- U. Describe efforts to meet the 20% Special Needs set-aside:** The County will partner with social service agencies serving the designated special needs populations to achieve the goal of the special needs set-aside. The goals will be met through the owner-occupied rehabilitation, emergency repair, and rental assistance strategies.
- V. Describe efforts to reduce homelessness:** The County works with the local Continuum of Care (CoC) and agencies serving persons experiencing homelessness primarily through partnerships, referrals, and rental assistance to place these individuals and families in rental housing for the purpose of providing a stable housing situation. The County uses SHIP funding to prevent homelessness through the foreclosure prevention and eviction prevention programs.

**Section II. LHAP Strategies:**

<b>A. Down Payment Assistance</b>	Code 1, 2
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a. Summary: Funds will be awarded for down payment and closing costs to first-time homebuyers to purchase a newly constructed or existing home, including homes purchased from a Community Land Trust (CLT). A newly constructed home must have received a Certificate of Occupancy within the last 12 months.

Prospective homebuyers must qualify as a first-time homebuyer under the HUD definition: *An individual who has had no ownership in the principal residence during the 3-year period ending on the date of purchase of property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned 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.*

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very Low, Low and Moderate
- d. Maximum award:
 

Very Low	\$35,000
Low	\$25,000
Moderate	\$10,000
- e. Terms:
  1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage



2. Interest Rate: 0%
3. Years in loan term: 15
4. Forgiveness: The loan is forgiven at 10% per year beginning in year 6.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

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. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an effort to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

- f. Recipient Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis. Homebuyers must complete an approved homebuyer education class from a HUD-certified agency and obtain a certificate of completion. CLT homebuyers must attend a homebuyer education class that contains a Community Land Trust component and/or session with the CLT in addition to a homebuyer education class that requires CLT buyers to demonstrate and attest to a clear understanding of the terms of Community Land Trust homeownership.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Applicants must secure a first mortgage through an approved lender (no private owner or seller financing). Loan will be awarded on a case-by-case basis in the amount of minimum subsidy required in order to allow the homebuyer to purchase an affordable home. Debt-to-income (DTI) ratio cannot exceed 33/40. The maximum award will not be awarded in all cases. Homebuyer must contribute a minimum of 1% of contract price towards the purchase. Purchase of manufactured/mobile homes less than 5 years old are eligible for assistance. Home must be located in Flagler County.





Terms for CLT home purchases: This SHIP assistance is assumable to an income-eligible homebuyer. The terms of the Note and Mortgage shall allow subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment will be required during the term of the loan, provided the loan remains in good standing. Please see Exhibit J for additional instructions and information for CLT purchases.

<b>B. Owner Occupied Rehabilitation</b>	Code 3
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<p>a. Summary: Funds will be awarded to repair owner-occupied homes to alleviate code violations, health hazards, life and safety issues, accessibility, electrical, plumbing, roofing, windows and other structural items. Other non-essential items may be included if funds are available after completing all necessary repairs.</p>
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b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022

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

d. Maximum award: \$50,000

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage
2. Interest Rate: 0%
3. Years in loan term: 15
4. Forgiveness: The loan is forgiven at 10% per year beginning in year 6.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

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. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage



shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an effort to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. of this plan.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Mobile homes, condos, and other attached homes are not eligible. Home must be located in Flagler County.

<b>C. Emergency Repair</b>	Code 6
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a. Summary: Funds will be awarded to applicants in need of rehabilitation of their home related to a dire situation that needs to be mitigated immediately. This includes: damaged roofing that is leaking, damaged windows causing exposure to the elements, or electrical or plumbing problems that could cause damage to the home or is an immediate health hazard to the occupants. Funds may also be awarded to pay insurance deductibles for any emergency repairs covered by the homeowner's insurance policy.
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- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very Low, Low
- d. Maximum award: \$15,000
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage
  - 2. Interest Rate: 0%
  - 3. Years in loan term: 10
  - 4. Forgiveness: Loan will be forgiven on a prorated basis so that 10% is forgiven annually.
  - 5. Repayment: None required as long as the loan is in good standing.
  - 6. Default: The loan will be determined to be in default if any of the following occurs during the loan



term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

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. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an effort to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. of this plan.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Mobile homes, condos, and other attached homes are not eligible. Home must be located in Flagler County.

<b>D. Demolition and Reconstruction</b>	Code 4
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a. Summary: Funds will be awarded to applicants who have been approved for owner occupied rehabilitation in cases where the home is beyond reasonable repair (more than 50% of structure is deemed unlivable and estimated rehab exceeds maximum award for that strategy). This includes manufactured/mobile homes.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very Low, Low



- d. Maximum award: \$125,000
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Deferred Loan secured by a note and mortgage
  - 2. Interest Rate: 0%
  - 3. Years in loan term: 30
  - 4. Forgiveness: The loan is forgiven at 5% per year beginning in year 11.
  - 5. Repayment: None required as long as the loan is in good standing.
  - 6. Default: The loan will be determined to be in default if any of the following occurs during the loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

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. Any payoff funds due to the County must be repaid within 180 days.

If the home is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a recapture payment. If the home must be sold as a short sale due to a catastrophic event or qualifying hardship (i.e. loss of employment/income, death of household member, divorce, extended illness or disability), the short sale policies and procedures governing the first mortgage shall prevail (i.e. Fannie Mae, Freddie Mac, or FHA short sale guidelines) and the County will make an efforts to recapture funds according to the short sale guidelines. All repayments from this program will be considered program income.

Flagler County reserves the right to buy a property that has a SHIP mortgage at a foreclosure or tax lien sale in order to protect its loan interest.

As per Flagler County Subordination Policy, an applicant may refinance the first mortgage loan to reduce the monthly payment through a lower interest rate and/or shorten the loan payoff period if the subordination request meets the eligibility guidelines.

- f. Recipient Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel, and income groups as described in Section I. of this plan.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Condos and other attached homes are not eligible. Home must be located in Flagler County.



<b>E. Foreclosure Prevention</b>	Code 7
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- a. Summary: Funds will be awarded to homeowners that are in arrears on their first mortgage. The arrearage must be at least 2 months but no more than 6 months and cannot be under an active foreclosure action.
- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$5,000
- e. Terms:
  - 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: In addition to being selected on a first-qualified, first-served basis, applicants must:
  - 1) Provide proof on the arrearage in the form of notification from the mortgage holder. This cannot be from a private mortgage holder.
  - 2) Provide evidence of a hardship that caused the arrearage (i.e. loss of employment/income, death of household member, divorce, extended illness or disability).
  - 3) Provide a written statement as evidence of the ability to resume making mortgage payments after the assistance is provided that includes an explanation of how the hardship has been overcome and an indication of the budget plan that will allow for resumption of payments.
  - 4) Receive counseling from a HUD-approved agency trained in foreclosure counseling as assigned by County staff. The counseling agency must sign off on the budget plan.
- g. Sponsor/Sub-recipient Selection Criteria: N/A
- h. Additional Information: Manufactured/mobile homes are not eligible. Home must be located in Flagler County.



<b>F. Disaster Assistance</b>	Code 5, 16
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a. Summary: Funds will be awarded to applicants in need of short-term rental assistance or home repairs directly caused by a disaster that is declared by an Executive Order of the President or Governor. Repairs will be prioritized as follows:

- 1) Immediate threats to health and life safety (well, sewer, damaged windows, roofing) in cases where the home is still habitable.
- 2) Imminent residual damage to the home (such as damage caused by a leaking roof) in cases where the home is still habitable.
- 3) Repairs necessary to make the home habitable.
- 4) Repairs to mitigate dangerous situations.

In addition, funds may be used for the following items:

- a) Purchase of emergency supplies for eligible households to weatherproof damaged homes;
- b) Construction of wells or repair of existing wells where public water is not available;
- c) Payment of insurance deductibles for rehabilitation of homes covered under homeowner's insurance policies;
- d) Security deposit and rental assistance for the duration of the Executive Order for eligible recipients that have been displaced from their homes due to damage from the declared disaster;
- e) Temporary rent and utility payments for up to 6 months for tenants financially impacted by COVID-19
- f) Temporary mortgage and utility payments for up to 6 months for homeowners financially impacted by COVID-19
- g) Repairs necessary to make the home habitable for non-insured homeowners;
- h) Other activities as proposed by the County and approved by Florida Housing.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very Low, Low and Moderate
- d. Maximum award: Repair: \$10,000  
Deductible: \$5,000  
Rental Assistance: \$5,000  
Mortgage Assistance: \$5,000
- e. Terms:
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 assisted on a first-qualified, first-served basis with first priority to seniors (62+ years old), special needs, and very low and low income households. In addition, applicants must:
  - 1) Provide proof of homeowner's insurance; and
  - 2) File for and use proceeds from insurance as first option if applicable; or
  - 3) If uninsured, provide proof of most recent homeowner's insurance
  - 4) Provide proof of hardship related to COVID-19
  
- g. Sponsor Selection Criteria: N/A
  
- h. Applicants for rental or mortgage assistance will be asked to participate in crisis financial counseling or foreclosure counseling from a participating nonprofit or government agency as needed.
  
- i. Additional Information: Funds for disaster assistance will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the disaster. Manufactured/mobile homes are not eligible for repair. Home must be located in Flagler County.

<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 for: a) security and utility deposit assistance; b) eviction prevention not to exceed 6 months' rent; and/or c) rent subsidies for up to 12 months. To be eligible for rent subsidies, the household receiving assistance must be very low income and include at least one adult who is a person with special needs as defined in Section 420.0004(13), F.S. or homeless as defined in Section 420.621, F.S.
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- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
  
- c. Income Categories to be served: Very Low, Low
  
- d. Maximum award: Rent Assistance: \$5,000  
Eviction Prevention: \$3,000
  
- e. Terms:
  - 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 assisted on a first-qualified, first-served basis.



- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Home must be located in Flagler County. Case management will be provided by the Flagler County Social Services Department or referred to community social service agencies as needed. In addition:
  - 1) Applicants must go through an assessment provided by staff to determine likelihood of housing sustainability and stabilization once assistance period runs out.
  - 2) A formal lease agreement must be executed by landlord and tenant.
  - 3) Assistance will be provided directly to the housing provider as part of a lease agreement.
  - 4) Recipients of other ongoing rental assistance such as Housing Choice Voucher, or former Section 8 program, may only be considered eligible for security deposits.

<b>H. Rental Development</b>	Code 14, 21
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a. Summary: Funds will be awarded to developers of affordable multifamily rental units that are awarded construction financing through other state or federal housing programs to construct or rehabilitate affordable rental units. This funding is intended to be used as gap financing required for the project.

- b. Fiscal Years Covered: 2019-2020, 2020-2021, 2021-2022
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$5,000 per unit;
  - Total development: \$75,000 for developments over 50 units
  - \$150,000 for developments with 50 units or less that include a minimum of 50% of total units set-aside for persons with Special Needs and/or persons experiencing homelessness
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: For for-profit developers, funds will be awarded as a loan secured by a recorded subordinate mortgage and note. For non-profit developers, funds will be awarded as a forgivable loan secured by a recorded subordinate mortgage and note.
  - 2. Interest Rate: 0%
  - 3. Years in loan term: 15
  - 4. Forgiveness: Non-profits, the loan is forgiven on a prorated basis beginning in year 6 so that 10% of the loan is forgiven annually from years 6 through 15.
  - 5. Repayment: For-profits, the loan is due and payable at the end of the term unless the County negotiates an extended term to secure affordable rental units in the best interest of the County's residents.
  - 6. Default: For all awards, a default will be determined as: sale, transfer, or conveyance of property;





conversion to another use; failure to maintain standards for compliance as required by any of the funding sources. If any of these occur, the outstanding balance will be due and payable. Any payoff funds due to the County must be repaid within 180 days.

If the property is foreclosed on by a superior mortgage holder, the County will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

- f. Recipient Selection Criteria: All applicants for residence in SHIP-assisted units must meet income qualifications of the program as determined and reported by the developer or developer's management company for the development.
- g. Sponsor Selection Criteria: Developers will apply to the County through an RFQ process that is open year round. The RFQ will require proof of developer experience in providing affordable rental housing, proof of financial capacity, evidence of site control (or contract for sale), proof of ability to proceed once all funding is closed, and a housing unit design plan that meets the County's Housing Element in the Comprehensive Plan.

The County reserves the right to select developments that meet all the above requirements and:

- 1) Are in areas of immediate need due to lack of available units.
- 2) Propose to preserve and improve existing units.

All funding awards will be subject to closing on other funding sources.

- h. Additional Information: Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units. Development must be located in Flagler County.

### III. LHAP Incentive Strategies – Flagler County

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. Expedited Permitting

**The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s.163.3177(6)(f)(3).**

In Flagler County, permits for affordable housing projects are expedited to a greater degree than other projects by standard custom and practice. All rehabilitation and replacement home construction projects were processed through the expedited permit strategy. At this time, the County's Housing Element of the Comprehensive Plan does not include any specific policies that pertain to expedited permitting; however, both Policies C.1.1.3 and C.1.1.4 foster the County's current practice to expedite affordable housing permits:

Policy C.1.1.4: Flagler County shall continue to use its Affordable Housing Advisory Committee to



assess very low, low and moderate income housing needs and recommend programs that could be instituted to facilitate the implementation of the County's Housing Goals, Objectives and Policies.

Affordable housing projects will be processed in the next available Planning Board or Board of County Commissioners meetings regardless of the application closing date, provided the applications meet the legal notice requirements.

Affordable housing projects will be approved as priority projects. The affordable housing projects will be moved to the front of the agenda at the County Technical Review Committee and Planning Board meetings. Processing the affordable housing projects at the next available Planning Board or Board of County Commissioner meetings regardless of application closing dates will result in a reduction of five to fifteen days of time. This time reduction will result in measurable savings of project cost and interest.

**B. 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.**

Each year, before the adoption of any new ordinances, local governments are to determine the amount of increase in the cost of affordable housing by adopting any new ordinance or updating an existing ordinance that may impact the provision of housing. Then the local government is to report annually to the State regarding how much the cost of housing had increased through these actions. Before adopting a new ordinance to increase impact fees, the local government is to advise the amount of additional cost of housing within their jurisdiction.

In Flagler County, this is typically accomplished through the staff report for Board consideration and action which accompanies each proposed action item, including ordinance adoption. The consideration of this requirement formalizes what already occurs as part of the staff review for Board of County Commissioner agenda items.

Prior to the adoption of new land development regulations, the Planning and Development Board will review new regulations for consistency with the adopted Comprehensive Plan. The Long Range Planning Board and/or the County Housing Task Force will be used to review all policies.

Policy C.1.1.3: Continue to review ordinances, codes, and regulations and the permitting process for the purpose of eliminating excessive requirements, and amending or adding other requirements in order to increase private sector participation in meeting the housing needs, while continuing to ensure the health, welfare and safety of the residents. The health, safety, and general welfare of the County's residents is preserved through the implementation of zoning and land development regulations. As a policy in the County's adopted Comprehensive Plan, Housing Element Policy C.1.1.3 as cited is implemented through the County's Land Development Code. The policy calls for a continuing review of "ordinance, codes, and regulations and the permitting process"; this is being achieved through the work of the Planning and Development Board and the Affordable Housing Advisory Committee, including other ad hoc committees as may be created by the Board of County Commissioners from time to time to accomplish this task.

**C. Other Incentive Strategies Adopted:**

**The modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.**



Impact fees and utility capacity charges are needed to provide revenue for constructing capacity producing capital improvements necessary to accommodate growth. Overall, this impact fee revenue partially funds construction of major roadways, libraries, schools, parks, correctional facilities, fire/EMS facilities, law enforcement facilities, and public buildings. Because these fees are based on fair share payments by the people benefiting from the capital improvements, impact fees and utility capacity charges cannot be waived or reduced for any individual group or category of construction. On the other hand, these fees increase the cost of housing and put a burden on the production of affordable housing projects. To lessen the impact on affordable housing projects, the cost of impact fees may be paid by other funding sources.

Flagler County presently has an exemption for low-income housing from educational facilities impact fees (excerpted below from Section 17-142 (c), Flagler County Code of Ordinances.

- (1) Dwelling units constructed or mobile homes installed for low- income and very low-income residents shall be exempt from the educational facilities impact fees.
- (2) As a condition of the exemption, the owner must agree to execute and record a lien against the property for a period of ten (10) years guaranteeing that the proposed dwelling unit will continue to be used for low-income and very low-income residents. The lien against the property shall be subject only to the lien for general taxes. In the event that the unit is no longer used for low-income or very low-income housing, then the county can compel the owner to pay the impact fee amount plus interest from which the owner or any prior owner was exempt. The interest rate is the prevailing interest rate applied against the original, exempted educational facilities impact fee amount at the time that the "unit is no longer used for low-income or very low-income housing". The interest rate would be applied to the principal (the educational facilities impact fee amount) for the number of years (prior to the tolling of the ten (10) year period of the exemption) that the educational facilities impact fee exemption was claimed. The lien shall run with the land and apply to subsequent owners for a period of ten (10) years.
- (3) Any claim for an exemption must be made no later than the time of application for a building permit or a permit for a residential mobile home installation. Any claim not so made shall be deemed waived.
- (4) The county administrator shall be authorized to determine whether a particular dwelling unit falls within the exemption for low-income or very low-income housing pursuant to the provisions of this section. Determinations of the county administrator shall be subject to the appeals procedures set forth in section 17-147 below. (Ord. No. 04-20, § 13, 12-6-04)

Flagler County recently suspended the imposition of Transportation Impact Fees. Suspending or waiving impact fees does not eliminate the cost of the infrastructure that the impact fees are designed to pay for. Either new development or existing residents must pay the cost of needed infrastructure improvements. If new development, which puts additional demand on county facilities and services, does not pay its fair share of infrastructure cost through impact fees, then existing residents will have to pay those costs through higher fees or taxes.

Flagler County will modify impact fee requirements, including reduction of fees and alternative methods of fee payment for affordable housing from special funding sources.



D. **The allowance of flexibility in densities for affordable housing.**

Within Flagler County, the future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across the board densities do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects. Currently, Housing Element Policy C.1.1.2 and the Article III, Section 3.09.02 Flagler County Land Development Code (LDC). Provide affordable housing projects up to an estimated 11% density bonus over the maximum density established by the underlying land use designation.

Currently, Housing Element Policy C.1.1.2 and Article III, Section 3.03.09.02(D)-(2) of the LDC provide for affordable housing density bonuses:

Policy C.1.1.2: Flagler County shall continue to encourage the private sector to provide affordable housing for very-low, low and moderate income families through the use of the Housing Density Bonus System.

The County's Affordable Housing Density Bonus Provisions are codified in Section 3.03.09.02(D)-(2) of the LDC, as follows:

Maximum density – Nine (9) units per acre with an affordable multifamily density bonus of an additional one (1) unit per acre for a total of ten (10) units per acre. The affordable multifamily density bonus is awarded provided the following criteria are met:

a. Definitions:

*Affordable multifamily unit:* A multifamily unit which is available to a household earning one hundred (100) percent or less of the county's median income, adjusted for family size, which can be rented or purchased in the market without spending more than thirty (30) percent of its income.

*Land Use restriction agreement:* A deed restriction which establishes the responsibilities of the developer and his successors.

*Low income household:* A household in the county which earns less than eighty (80) percent of the county's median income, adjusted for family size.

*Moderate income household:* A household in the county which earns eighty (80) to one hundred (100) percent of the county's median income, adjusted for family size.

- b. At least ten (10) percent of the project's units must be designed as affordable multifamily units for low and moderate income households. A maximum of thirty (30) percent of the project's units may be designated as affordable housing for low income households and a maximum of thirty (30) percent of the project's units may be designated for moderate income households. A minimum of forty (40) percent of the



units must remain market rate units.

- c. The maximum percentages listed above for low to moderate income units may not be exceeded for a minimum of a fifteen-year period. To insure compliance with this provision, the property owner shall execute a land use restriction agreement with the county, which specifies the low to moderate income occupancy requirements for the property, including the number of rental units which will be subject to affordability provisions, the rent limits, the income limits proposed, and the affordability period. The land use restriction agreement shall require the developer and his successors to submit an annual report to the county for the purpose of monitoring compliance with the agreement.

The allowance of an up to 11% density bonus for affordable housing projects provides for the development of affordable housing projects with higher densities and/or higher yields. These provisions are appropriate tools for providing density increases for affordable housing projects.

Though not typically used, the inclusion in the LDC of cluster housing provides an additional tool, through an accompanying Planned Unit Development zoning designation, to accomplish higher densities and preserve open space than would otherwise be accomplished through a standard zoning category within the LDC. It is anticipated that other options will be explored as part of the County's Comprehensive Plan update process and the update to the Land Development Code that will follow.

Flagler County will make an allowance of flexibility in densities for affordable housing in the land use planning process, subject to maintaining consistency with the County Comprehensive Plan and Florida Statutes.

**E. The reservation of infrastructure capacity for housing for very low income persons, low income persons, and moderate income persons.**

The Flagler County Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity available to serve the development. These requirements are contained in Article VIII, Consistency and Concurrency Determination, of the County's LDC. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive plan. In Flagler County, there is only one type of concurrency certificate. The Certificate requires a payment of 25% of the impact fees to reserve the capacity.

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. In Flagler County, there is sufficient capacity in all concurrency-related facilities to accommodate development projects. Therefore, reserving capacity upfront is not a critical issue at this time. To reserve capacity for one project, however, means that the reserved capacity is not available for other projects.

**F. The allowance of affordable accessory residential units in residential zoning districts.**

Through its Land Development Code, Flagler County permits the construction of a guest quarters in the Agriculture zoning district with Special Exception approval by the Planning Board.



Flagler County will make an allowance of affordable accessory residential units pursuant to Section 163.31771 Florida Statutes, for extremely-low-income, very-low income, low income, or moderate-income persons as (as defined in Section, 420.0004, Florida Statutes) in residential zoning districts in the upcoming revisions of the Flagler County Land Development Code, including making provisions for “mother-in-law” or “caretaker family suites.” (currently not included in all residential districts in the LDC and consistent with Board of County Commission action on February 1, 2010 amending Chapter 19 of the Flagler County Code). The latter would be in areas to be located within a single family home while the “affordable accessory residential units” would be a separate unit.

**G. The reduction of parking and setback requirements for affordable housing.**

As structured, the County’s Land Development Code (LDC) establishes minimum setback and lot size requirements for both single family residential zoning districts and multiple family residential zoning districts. These setback requirements provide a standard separation between houses and between houses and roadways. Certain zoning districts found within the LDC have smaller setbacks, some (R-1c and R-1d zoning districts) with zero lot line setbacks on the side property lines. Affordable housing projects could use those specific zoning districts to utilize the side setback requirement. There is also the option to rezone to the PUD zoning district, which gives you the ability to create customized setback and parking requirements.

While rear yard setbacks typically run from 20 feet to 15 feet, the minimum front yard setback on all single family homes from the edge of right-of-way is twenty five (25) feet. This setback distance allows for cars to be parked in the driveway and not block the sidewalk or impede pedestrian movement.

For residential uses, the county requires two parking spaces for each dwelling unit. This requirement is detailed in LDC Section 3.06.04 as follows:

*A. Off-street parking space requirements.*

1. Single and two-family dwellings: Two (2) spaces per dwelling unit.
2. Multi-family dwellings: One and one-half (1.5) spaces per dwelling unit (one bedroom units); one and three-quarters (1.75) spaces per dwelling unit (two-bedroom units); two (2) spaces per dwelling unit (three (3) bedrooms or more).
3. Planned unit development: Shall meet the space requirements of that particular occupancy. (Exception: The parking requirements of non-residential uses in a PUD may be approved by the county commission)

To ensure health and safety, all residential development must meet current minimum parking and setback requirements (or received appropriate variances) for the appropriate zoning district as established in the County’s LDC. For example, the County’s 25 foot minimum front yard setback provides enough distance for parking a vehicle in a driveway without the vehicle projecting into the sidewalk. Reducing or eliminating parking requirements will force residents to park in roadway rights-of-way. This can create safety issues unless minimum mandatory widths are increased.



H. **The allowance of flexible lot configurations, including zero lot line configurations for affordable housing.**

Certain zoning districts are in existence to create smaller lot sizes. Flagler County does have the ability in the Land Development Code for zero lot lines as side yard setbacks in three zoning districts: R-1c, R-1d, and PUD. The PUD zoning district gives a developer the ability to create customized dimensional requirements, along with parking and setback requirements.

Generally, the PUD rezoning and site plan process serve as a mechanism whereby the county can approve projects with reduced setbacks and/or mixed uses. The advantage of using the PUD district instead of traditional zoning is that an applicant can increase or at least maximize his development project's density. In the PUD district, however, there are development required trade-offs, such as additional landscaping, which are required to gain the waivers for smaller lots and higher yield. These trade-offs can have the effect of off-setting any housing unit price reductions due to increasing yield.

Flagler County will consider including new language to expedite permitting through subdivision and site design when the Flagler County Land Development Code is rewritten.

I. **The modification of street requirements for affordable housing.**

As adopted, the County's existing sidewalk and street requirements provide for minimum construction standards to ensure public safety. Section 4.06.02(D) (2) (Subdivision Improvement and Design Standards) of the LDC sets the minimum right-of-way width for a local or residential street at 50 feet. However, minimum lane widths are 11 feet. The following is the county's current minimum right-of-way requirement:

4.06.02 Roads

D. *Minimum Subdivision Road Right-of-Ways Widths.*

1. All subdivision roads shall be provided with sufficient right-of-way or easement width by dedication to contain their entire construction and their appurtenances, including drainage facilities, ditches, slopes, sight distance and traffic control devices.
2. The minimum right-of-way for vehicular travel is fifty (50) feet.
3. Specific right-of-way requirements are defined in the public works manual and are dependent upon the required typical section for anticipated traffic volume.
4. Subdivision roads shall be designed and constructed in accordance with Flagler County Standards and Specifications as contained in its public works manual.

As structured, the County's minimum street right-of-way width requirements are based on the minimum area needed to accommodate the various improvements that must be located in the right-of-way. Besides travel lanes, sidewalks, and drainage facilities, these improvements include





water and sewer lines, gas lines, phone lines, cable lines, and others. Since the referenced improvements must be provided for in the road right-of-way, the County has determined that the minimum right of way width must be 50 feet.

At 50 feet, the County's minimum local road right-of-way width requirement is minimal. Consequently, no right-of-way width modification is necessary. County staff feels that the 50-foot minimum right-of-way width is already the minimum relieve that could be considered and still furthers the combined goals of protecting the health, safety, and general welfare while promoting the provision of affordable housing. In sum, the Statute appears to require that the County address a modification of street requirements and County staff feels that the minimum width already provided for within the County's Code is the minimum that can be considered, hence requiring no modification to the Code specific to reducing right-of-way width to promote the provision of affordable housing.

**J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.**

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing.

Beginning in July 2007 then every three (3) years thereafter, Flagler County is required to prepare an inventory list of all real property within its jurisdiction to which the county holds fee simple title and is appropriate for use as affordable housing. The Board through their review of the inventory list and input from staff and the general public found that none of the county-owned properties were appropriate for affordable housing.

Consistent with state law, the Board of County Commissioners reviewed and approved an inventory list of county owned properties. Of all the properties on that list, none were determined to be appropriate for affordable housing.

However, the County recognizes and acknowledges that donating county-owned surplus lands to non-profit housing organizations would reduce the cost of affordable housing units on the donated properties and is an appropriate affordable housing tool and will continue to evaluate the inventory of county owned surplus properties for appropriate affordable housing sites.

**K. The support of development near transportation hubs and major employment centers and mixed-use developments.**

In Flagler County, the Future Land Use Map (FLUM) identifies areas appropriate for residential development and the appropriate density for those areas. The objective of the FLUM is to create a land use pattern that situates residential development in close proximity to schools, health care facilities, employment centers, and major roadways.

In Flagler County, the FLUM is an important tool in establishing appropriate locations for residential development. Generally, the map provides for residential development to be located





near compatible land uses, existing neighborhoods, and proximate to public transportation, major employment centers, and community services. Ideally, affordable housing projects should be located near employment centers and transportation hubs for additional savings in terms of transportation cost and travel time. For that reason, the county supports locating affordable housing developments near transportation hubs, major employment centers and mixed use developments by expediting the permit process for these types of housing projects.

## **LHAP Incentive Strategies – City of Palm Coast**

### **A. Expedited Permitting**

**The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s.163.3177(6)(f)(3).**

Development Orders and Permits for affordable housing projects will be expedited to a greater degree than other projects by standard custom and practice. All rehabilitation and replacement home construction projects will be processed through the expedited permit strategy. The Community Development Director or designee will shepherd applications through each level of review that are considered an affordable housing project. For the purpose of the expedited permit process, affordable housing projects will be identified as those projects assisted with state or federal housing funds as confirmed by the Flagler County SHIP Administrator. Specifically, Policy 3.1.1.4 notes that expedited site plan review and permitting should be considered as an action to promote affordable housing. Expedite development orders and permits for affordable housing projects as described above.

### **B. 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.**

Each year, before the adoption of any new ordinances, local governments are to determine the amount of increase in the cost of affordable housing by adopting any new ordinance or updating an existing ordinance that may impact the provision of housing. Then the local government is to report annually to the State regarding how much the cost of housing had increased through these actions. Before adopting a new ordinance to increase impact fees, the local government is to advise the amount of additional cost of housing within their jurisdiction.

Before adoption of any new regulations or policies, the City will determine the impacts of adopting such ordinance on the cost of housing. When applicable, staff will include an analysis of the impact of any policy, procedure, ordinance, regulation, or plan provision upon the cost of housing in the City.

As part of the staff report provided to City Council during the adoption review process for ordinances, an analysis is provided for benefit of the City Council and the public. This analysis is reviewed and included as part of the record, during a formal City Council public hearing process that results in consideration of all impacts of a proposed ordinance.



**C. The modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.**

Impact fees are one-time charges applied towards new construction to obtain revenues necessary to make capital improvements. Overall, these impact fees increase the cost of housing. Legally, impact fees must be applied to all activities that create a demand for capital facilities. Consequently, impact fees cannot be waived or reduced.

Waiving impact fees does not eliminate the cost of the infrastructure that the impact fees are designed to pay for. Either new development or existing residents must pay the cost of needed infrastructure improvements. If new development, which puts additional demand on county facilities and services, does not pay its fair share of infrastructure cost through impact fees, then existing residents will have to pay those costs through higher fees or taxes. To lessen the impact on affordable housing projects, the cost of impact fees may be paid by other funding sources.

Staff notes that the Educational Facilities Impact Fee Ordinance (adopted Countywide, including the City of Palm Coast) includes an exemption for low-income housing from educational facilities impact fees, when certain conditions are met.

Changes to fully implement this incentive are not recommended at this time because any reductions to impact fees for affordable housing units would result in higher taxes and housing costs for the rest of the City's residents in order to provide the necessary infrastructure.

**D. The allowance of flexibility in densities for affordable housing.**

The future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across the board densities do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects.

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for flexible densities for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to allow for flexible densities.

**E. The reservation of infrastructure capacity for housing for very-low income persons, low-income persons, and moderate-income persons.**



Consistent with state law, the City's Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity available to serve the development. These requirements are also contained in Chapter 7, Concurrency Management System, of the City's ULDC. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive plan.

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. Like waiving impact fees, allowing reservation of capacities without payment for affordable housing projects is unfair to other development.

Changes to implement this incentive are not recommended at this time, since implementation would result in inequities.

**F. The allowance of affordable accessory residential units in residential zoning districts.**

The City of Palm Coast Unified Land Development Code (ULDC) does not permit the construction of accessory residential units in any residential zoning district.

Changes to implement this incentive are not recommended at this time.

**G. The reduction of parking and setback requirements for affordable housing.**

The City's Unified Land Development Code (ULDC) establishes minimum setback and lot size requirements for both single family residential zoning districts and multiple family residential zoning districts. Each zoning district's setback varies from another; these variations depend on the minimum lot width and minimum lots size for that zoning district. Affordable housing projects should identify those specific zoning districts to identify the most favorable setback requirements for a particular project. Developers of affordable housing also have the option to rezone and utilize the Master Planned Development (MPD) zoning district. This zoning district allows great flexibility in customizing setback and parking requirements.

For residential uses, the City requires two parking spaces for each single-family dwelling, duplex, and townhouse unit. For multifamily dwellings, the ULDC requires the following:

- 1 space per efficiency unit,
- 1.5 spaces per 1 bedroom,
- 2 spaces per 2 bedrooms and over, and
- 1 space per 4 units for guest parking.

Affordable housing developers also have the option of utilizing the Master Planned Development (MPD) zoning district. This zoning district provides flexibility in the required number of minimum parking based on evidence that other standards would be more reasonable.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to reduce parking and setback requirements.



**H. The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.**

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for an affordable housing developer to provide zero lot line configurations for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Additionally, the ULDC permits townhouse residential development. This type of development allows a developer to construct a minimum of three (3) attached units and a maximum of eight (8) attached units per building.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to allow for flexible lot configurations.

**I. The modification of street requirements for affordable housing.**

The City of Palm Coast Unified Land Development Code (ULDC) allows opportunities for an affordable housing developer to modify street requirements for affordable housing. One mechanism available to a potential developer is the use of the Master Planned Development (MPD) zoning district. This zoning district provides developers the flexibility to establish specific develop standards (such as lot sizes, setbacks, lot coverage, etc.) for specific projects.

Continue to encourage developers of affordable housing projects to utilize the MPD zoning district in order to modify street requirements.

**J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.**

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing. The City of Palm Coast will compile a list of all real property within its jurisdiction to which the city holds fee simple title and is appropriate for use as affordable housing.

Prepare an inventory of all city-owned property for analysis and determination of its appropriateness for affordable housing.

**K. The support of development near transportation hubs and major employment centers and mixed-use developments.**

The City of Palm Coast does not have any identifiable transportation hub. However, the City's Comprehensive Plan and Future Land Use Map (FLUM) identify areas appropriate for mixed use



development and appropriate for Village Center development. These village center areas are appropriate for developments with higher densities and intensities.

The purpose of the Mixed Use development designation is to provide opportunities for residents to work, shop, engage in recreational activities, attend school and religious services in reasonably close proximity to residential dwellings. Typically, affordable housing projects should be located strategically within proximity of services and employment opportunities. Development of affordable housing as part of a mixed use project or within proximity of available services and employment opportunities is encouraged and promoted by the comprehensive plan.

**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 resolutions
- F. Ordinance: (If changed from the original creating ordinance)
- G. Interlocal Agreement
- H. Flagler County Subordination Policy
- I. Glossary of Terms/Statute Definitions
- J. Additional Instructions & Information for Down Payment Assistance for Community Land Trust Purchases