



**CITY OF PENSACOLA**



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

**2025-2026, 2026-2027, 2027-2028**



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**I. Program Details:**

**A. LG(s)**

Name of Local Government	City of Pensacola
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	

**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:** 2025-2026, 2026-2027, 2027-2028

**D. Governance:** The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

**E. Local Housing Partnership:** The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

**F. Leveraging:** The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

**G. Public Input:** Public input was solicited through face to face meetings with housing providers, social service providers, local lenders, and neighborhood associations. Public input was solicited through the local newspaper in an advertisement of the Local Housing Assistance Plan publishing information for citizens to access the Plan through the City of Pensacola website. In addition, a Notice of Funding Availability will be published in the local newspaper once allocations for the respective fiscal year are confirmed by State government.

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

**I. Waiting List/Priorities:** A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status.



Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan. The following priorities for funding applies to all strategies unless otherwise stated in an individual strategy in Section II.

Not applicable

- J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.
- K. Support Services and Counseling:** Support services are available from various sources. Available support services may include, but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, Legal Services and Transportation.
- L. Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the average area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

- M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at [www.floridahousing.org](http://www.floridahousing.org).

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

- N. Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.
- O. Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides



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

- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The City of Pensacola 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	Admin. Fee Percentage
City of Pensacola	Administrative Duties	10%
Third Party Entity/Sub-recipient		

- R. First-time Homebuyer Definition:** For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*
- S. Project Delivery Costs:** Project delivery costs are related to the delivery of housing related services to an eligible applicant not covered through Administrative funds. These costs include surveys, title work, appraisals, temporary relocation and storage (Substantial Rehab/Reconstruction activity only and Owner Occupied Rehabilitation activity in limited cases), recording fees, septic tank pump-out, septic tank permit fees, engineering fees, design plans, housing market studies (Rental Preservation/Development),



environmental reviews, inspections made by non-City employees, and a service delivery fee for third party agencies administering an activity. A service delivery fee included will be negotiated with a subrecipient agency and may include applicant intake; initial, progress, and final inspections; preparation of work specifications and cost estimates; travel to job site; and general project oversight.

Project delivery costs are encountered in the following activities: Demolition/Reconstruction, Owner Occupied Rehabilitation, New Construction, Rental Preservation/Development, Disaster Mitigation, and Rental Assistance. Project delivery costs will be limited to no more than 5% of the project award. The Maximum activity award will include these project delivery costs.

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

1. are permanently employed by a company or organization located within Escambia County, the City of Pensacola, or the Town of Century, all lying within Escambia County, Florida; in one of the following categories:

- a. Local or State Law Enforcement, Fire, Rescue, and Emergency Services, Public Safety and Emergency Management
- b. Teachers, Educators, and School District personnel in the public, private and university systems
- c. Health Care Professionals and support personnel
- d. Tourism Industry professionals and employees (including hospitality and food service)
- e. Judicial/Court System management and support personnel
- f. Skilled building trades personnel

2. have maximum annual income at or below 120% of the Pensacola MSA median income as defined in the SHIP Rule 67-37.

**U. Describe efforts to incorporate Green Building and Energy Saving products and processes:** All improvements will meet Energy Conservation requirements as required by Florida Building Code for new construction or existing buildings, as applicable. The County and City shall, when economically feasible, encourage and support green building products and processes, including energy efficient features in each strategy. According to the type and extent of the repair or reconstruction and the needs of the recipient, the following green and energy products will be utilized when viable on New Construction, Demolition/Reconstruction, and Owner Occupied Rehabilitation 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: 2.0 gallons/minute or less

2. Appliances

- a. Energy Star qualified refrigerator
- b. Energy Star qualified water heater
- c. Energy Star qualified range hood
- d. Energy Star qualified dishwasher, where applicable

3. Lighting



- a. Installation of Energy Star light fixtures and ceiling fans, and/or
- b. Installation of LED bulbs in newly installed lighting fixtures
- 4. Heating, Cooling, and Ventilation
  - a. HVAC with minimum SEER rating of 14.
  - 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 for flat paint or 150 grams per liter or less for non-flat paint or paints carrying GreenGuard certification)

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

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

**W. Describe efforts to reduce homelessness:** The City has provided local ARPA funding to create new homeless housing units and provide supportive services for homeless households through agreements with various not for profit agencies.

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

Under the Rental Development activity, the City may prioritize units specifically for homeless households. Additionally, the Rental Assistance activity may be used in coordination with agencies serving homeless households to stabilize households for up to 12 months.



**Section II. LHAP Strategies:**

<b>A. PURCHASE ASSISTANCE</b>	Code: 1, 2
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a. Summary: SHIP funds will be made available to support down payment, gap financing, and closing costs for the purchase of an existing or newly constructed home for first time homebuyers, including homes purchased from a community land trust. Assistance shall be tailored to the individual affordability and financing needs of the participating homebuyer. Permanent first mortgage financing (exceeding the SHIP Purchase Assistance) will be provided through financial institutions, homebuyer programs and/or private developers/contractors without local guarantee, thereby leveraging a significant volume of private sector financing.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$20,000 Moderate  
\$32,500 Low  
\$45,000 Very Low
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Subordinate Mortgage and Note
  - 2. Interest Rate: 0%
  - 3. Years in loan term: 10 years
  - 4. Forgiveness: 10% forgiven annually on anniversary date of the loan, provided that the homebuyer is not in default of program terms
  - 5. Repayment: None required as long as the loan is in good standing
  - 6. Default: The sale, refinancing, transfer of ownership, foreclosure by the primary lender, or when the property is no longer the principal residence during the mortgage term shall be considered a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following annual advertisement of the availability of SHIP resources. Priority given to Low income applicants in accordance with program funding distribution percentage requirements.

Homebuyer must meet the following qualifications:

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





4. hold less than \$50,000 in liquid assets; and
5. meet the criteria for a first-time homebuyer

g. Sponsor Selection Criteria: Not Applicable

h. Additional Information:

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

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

b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028

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

d. Maximum award: \$ 250,000 (including \$11,900 maximum permitted as a grant for PDC)

e. Terms:

1. Repayment loan/deferred loan/grant: Up to \$11,900 in project delivery costs provided as a 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 local government financing as available).
2. Interest Rate: 0%
3. Years in loan term: 20 years
4. Forgiveness: Loan forgiven at 6.67% on the anniversary date of the note beginning in year six through year 19, with the outstanding balance forgiven on the anniversary date of the note in year 20, provided that the homeowner is not in default of program terms.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by staff. If the legal heir is not SHIP eligible or chooses not to occupy the home, the



outstanding balance of the loan will be due and payable.

- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list with a priority for special needs applicants, then Very Low-Income applicants.

Applicants must be owner occupants with fee simple title, homestead exemption, property taxes current, and with no outstanding liens or judgments owed to the City. Priority may be given to 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: Not Applicable

- h. Additional Information:

1. The City of Pensacola and Escambia County formed a local HOME Consortium for purposes of receiving Federal funds that support the local mission of enhancing housing affordability. SHIP funds may be provided as a cash match or local leverage to receive funds under the HUD HOME Program or other federal or state funds requiring matching funds.
2. Applicant must have fee simple title and no other liens or mortgages may be present on the property.
3. The size and specifications of the replacement house will be determined by City staff. Decisions will be guided by what is minimally required by the family size and composition.
4. Temporary relocation expenses may be provided in an amount not to exceed \$5000 in accordance with the City Optional Temporary Relocation program policy where no other resources or alternate housing options exist.
5. Project delivery costs (including temporary relocation) in an amount not to exceed 5% of the demolition/reconstruction cost may be provided under this activity as outlined in Section I (S). Project delivery costs will be provided as a grant. Project delivery expenditures will be included in the maximum award calculation.

<b>C. OWNER OCCUPIED REHABILITATION</b>	Code: 3, 6
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- a. Summary: SHIP funds will be used to provide rehabilitation for Very Low and Low Income owner occupied homes to address roofing, electrical, plumbing, mechanical, sanitary disposal, life/safety conditions, structural code deficiencies, code citations, accessibility needs, and other related repairs.

*Emergency Repair Assistance* will be considered for Very low income applicants in need of rehabilitation related to a dire situation in need of immediate mitigation. This includes but is not limited to: damaged roofing that is actively leaking; significant breaches in the structural envelope of the home causing exposure to the elements; sewage backup; electrical or plumbing issues that are an immediate health or safety hazard to the occupant; or a code citation. HVAC repair or replacement may also be considered for special needs or elderly households with documentation from a physician stating it is medically necessary.

*Home Accessibility Assistance* will provide assistance to retrofit owner-occupied single family homes for wheelchair ramps, bathroom modifications, or other repairs to allow functional accessibility for households



with special needs as defined in F.S. 420.00004(13).

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low and Low
- d. Maximum award:
  - 1. Housing Repair Assistance - Very Low and Low: \$50,000
  - 2. Emergency Repair Assistance – Very Low: \$25,000
  - 3. Home Accessibility Assistance – Very Low and Low: \$10,000
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Housing Repair and Emergency Repair Assistance will be provided as a deferred loan secured by a Lien Agreement. Home Accessibility Assistance will be provided as a grant.
  - 2. Interest Rate: 0%
  - 3. Years in loan term:
    - i. Housing Repair Assistance-10 years
    - ii. Emergency Repair Assistance-5 years
    - iii. Home Accessibility Assistance-Not applicable (grant)
  - 4. Forgiveness: Provided the owner is not in default of program terms, the following forgiveness periods will apply:
    - i. Housing Repair Assistance-10% annually on the anniversary date of the loan
    - ii. Emergency Repair-20% annually on the anniversary date of the loan
    - iii. Home Accessibility Assistance-Not applicable (grant)
  - 5. Repayment: None required as long as the loan is in good standing.
  - 6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by staff. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list. However, priority for special needs applicants and Very Low-Income applicants will be prioritized to meet SHIP set aside requirements. Additional priority may be given to applicants with active local government code enforcement citations or survivors of a disaster as declared by local officials. Home Accessibility assistance will only be made available to low-income households with special needs.

Applicants must be owner occupants with fee simple title, homestead exemption, mortgage current (if present), property taxes current, and with no outstanding liens or judgments owed to the City.
- g. Sponsor Selection Criteria: Not Applicable



- h. Additional Information:
1. Emergency Repair Assistance: Where an emergency repair has been referred by the Code Enforcement Division, the repair will be limited to the specific code citation deficiencies in order to remove the violation on the dwelling only (no demolition or lot cleaning). Feasibility under emergency repair assistance will be based on the property being able to meet code after rehabilitation.
  2. Recipients with homeowner's insurance in place may be required to submit a claim to the insurance provider and use proceeds for rehabilitation if the needed repairs are related to an event reasonably believed to be insurable.
  3. Recipient may not have total liquid assets of \$50,000 or more.
  4. An additional \$5000 may be awarded for temporary relocation expenses if determined necessary by the Rehabilitation Program Coordinator or Specialist in order to effect the necessary repairs. If approved by staff, temporary relocation and moving expenses will not exceed \$5000 in accordance with the City Optional Temporary Relocation program policy where no other resources or alternate housing options exist and will be provided as a grant. No temporary relocation costs will be provided for emergency repair or home accessibility assistance.
  5. Households receiving Home Accessibility or Emergency Repair Assistance may remain (or be placed) on the waiting list for full housing rehabilitation assistance. Additional SHIP Housing Repair Assistance or Emergency Repair Assistance may not be received until the applicable lien matures.
  6. Mobile homes are not eligible under the Owner Occupied Rehabilitation program except for home accessibility assistance. The mobile home must have been built after June 1994 and registered as real property.

<b>D. WORKFORCE DEVELOPMENT</b>	Code: 9, 10
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a. Summary: SHIP funds will be made available to non-profit or for-profit developers, including Community Land Trusts (CLT), to partially underwrite the costs of new construction or acquisition/rehabilitation of 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. Funds may be used for land acquisition, infrastructure and development costs, construction, and other associated fees for the construction or rehabilitation of housing units.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$100,000 per unit (Developer); \$50,000 (Buyer)
- e. Terms: Homebuyer
1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Subordinate Mortgage and Note.
  2. Interest Rate: 0%
  3. Years in loan term: 30 years



4. Forgiveness: Loan forgiven at 5% per year starting on the anniversary date of the note following the 10<sup>th</sup> year, provided that the homeowner is not in default of program terms.

Forgiveness terms for CLT home purchases: Provided the property continues to be occupied by an income eligible household, the SHIP funds will not be subject to recapture upon sale.

5. Repayment: None required as long as the loan is in good standing

Repayment terms for CLT home purchases: SHIP assistance is assumable to an income eligible buyer. The terms of the Mortgage and Note shall allow subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment required during the loan term, provided the loan remains in good standing.

6. Default: The sale, rental, refinancing, transfer of ownership, foreclosure of the primary lender, or when the property is no longer the principal residence during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

Terms: Sponsor/Developer

1. Repayment loan/deferred loan/grant: Deferred Payment construction loan placed on the property during construction, which will be released upon sale of the home to an eligible buyer.
2. Interest Rate: 0%
3. Years in loan term: Up to 24 months
4. Forgiveness: If the loan is in good standing, upon sale of the property to an eligible homebuyer with affordability restrictions and/or covenants to ensure that the home remains affordable for a minimum of 30 years, the City will satisfy the mortgage and note. The maximum buyer award will be passed through to the eligible household in the form of a subordinate mortgage.
5. Repayment: Proceeds in excess of the amounts provided for the benefit of the eligible household are due and payable to the City upon sale of the property to an eligible buyer or two years, whichever comes first.
6. Default: If the home is not sold to an eligible buyer within two years, the loan is due and payable.

- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis. Priority provided to Low Income households. Homebuyer must meet the following qualifications:

1. qualify for a first mortgage through a participating first mortgage lender;
  2. complete a HUD certified pre-purchase homebuyer education class within the 12 months prior to closing;
  3. contribute \$750 toward the purchase of the home (this amount can include documented expenses paid outside of closing); and
  4. hold less than \$50,000 in liquid assets.
- In addition to the HUD pre-purchase homebuyer education class, Community Land Trust (CLT) buyers must attend a home purchase education class that contains a CLT component and/or a session with the CLT that requires buyers to demonstrate and attest to a clear understanding of the terms of CLT



ownership.

- g. Sponsor Selection Criteria: Selection of a developer and/or sponsor may be based upon responses to an advertised request for proposal. Sponsor/developer must demonstrate financial ability to construct or rehabilitate homes. Selection criteria may consider:
1. site control;
  2. CLT, nonprofit or for profit locally based with expertise in affordable single family housing construction and marketing units to Very Low Income families;
  3. amount of non-SHIP funds or value of in-kind services committed as SHIP leverage;
  4. unit production goals in relation to SHIP funding request and ability to complete project within deadlines established by the City;
  5. 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;
  6. percentage of units targeted to Very Low-Income families; and
  7. 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 staff to determine the agency or organization that will implement the strategy. Final selection and contract approval will be provided by the City Council. The RFP may solicit participation for the full three-year LHAP period.

- h. Additional Information:
1. Restrictive Covenant: Each property may have a restrictive covenant recorded with the deed at the initial purchase to ensure that if the property is resold it will remain affordable to a low-to-moderate income family. The restrictive covenant will remain in effect for the entirety of the affordability period and will indicate the maximum resale price, process for foreclosures, and legal actions if the agents, successors, and assignees are found in violation of the program requirements. The use of a restrictive covenant will depend on the use of partnership programs.
  2. This activity will provide preferences for Essential Services Personnel.

<b>F. RENTAL PRESERVATION / DEVELOPMENT</b>	Code: 14, 21
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a. Summary: SHIP funds will be provided as gap financing to support the preservation or development of affordable rental housing or special needs housing (as defined in 420.0004 (13)) for eligible persons through new construction, acquisition of property or existing rental units, and/or rehabilitation of existing rental units.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Extremely Low, Very Low, and Low
- d. Maximum award: Up to \$150,000 per unit as determined by a subsidy layering review; \$500,000



maximum provided per development

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred Payment Loan or Grant depending on proposed project secured by Mortgage and Note or Deed Restriction. Grants will only be provided to developments receiving \$10,000 or less.
2. Interest Rate: 0%
3. Years in loan term: 15 year minimum on all projects and 20 year minimum on any new construction project co-funded with local HOME funds. A longer term may be considered if specifically required by HUD, FHFC, RD or other primary lender as a condition for project financing.
4. Forgiveness: As defined in the applicable mortgage and note. For deferred payment loans, a portion of the loan will be forgiven as follows provided the project is not in default of program requirements:

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

5. Repayment: Not required as long as the development is not in default of any program terms.
6. Default: As defined in the applicable mortgage and note or deed restriction, recapture of the outstanding loan balance of SHIP funds invested is required upon default. A default is the sale, transfer or conveyance of the property prior to term expiration; conversion to a non-approved use; failure to maintain standards for compliance as required by funding sources, including income eligibility of tenants and rents limits. The sale of properties assisted with SHIP funds before expiration of the affordability period shall require approval of the City Council and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note.

- f. Recipient/Tenant Selection Criteria: Tenants will be assisted on a first qualified, first served basis. Any income or special needs prioritization will be identified in the request for proposals process.
- 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(V) of this Plan.

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;
- 9. percentage of units targeted to families at or below 30% or 50% of Area Median Income; and
- 10. commitment to longer affordability period than program minimums

As applicable, proposals from nonprofit sponsors or for-profit sponsors will be evaluated by City staff, or a committee comprised of County and City representatives when funding is blended, to determine the agency or organization that will implement the strategy.

- 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. Eligible sponsors offering rental housing for sale before 15 years or before the loan expiration must give a first right of refusal to eligible not for profit agencies for purchase at the current market value for continued occupancy by eligible persons.

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

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$20,000 (insurance deductible not to exceed \$3,000 and included within the maximum award calculation)





- e. Terms :
  - 1. Repayment loan/deferred loan/grant: Grant
  - 2. Interest Rate: Not Applicable
  - 3. Years in loan term: Not Applicable
  - 4. Forgiveness: Not Applicable
  - 5. Repayment: Not Applicable
  - 6. Default: Not Applicable
  
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following the declaration of the disaster. Priority may be given to households with special needs, Low and Very Low Income households, and households that qualify as elderly as defined in 420.503, F.S.  
  
Owner occupant applicants must have homestead exemption, property taxes current, mortgage and property insurance (if present) current, and with no outstanding liens or judgments owed to the City. Rental applicants may not have outstanding liens or judgments owed to the 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 City staff. Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process.
  
- h. Additional Information:
  - 1. This strategy may be leveraged with other federal, state, or local funding as well as volunteer labor.
  - 2. In the event of a "presidentially or state declared disaster," up to 25% of the available 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, staff shall notify the Florida Housing Finance Corporation (FHFC) of such action by written letter, facsimile, or e-mail within 15 days of the date of the disaster declaration.
  - 3. No duplication of benefits may be provided. Applicants must provide proof of assistance received from insurance, FEMA, or other resources. Insurance proceeds must be used before SHIP funds, except for payment of insurance deductible.
  - 4. Assistance to owner occupants provided only on primary residences.
  - 5. Rental assistance may be provided for up to twelve months after the disaster declaration made by Executive Order. SHIP funds may not be used to pay for rental arrears.
  - 6. SHIP funds under this activity will generally be paid directly to contractors, landlords or their agents, insurance companies, etc. However, emergency funds may be provided directly to the applicant for some emergency disaster related expenses, such as the reimbursement of tarps, emergency tree and debris removal, and other temporary measures to avoid further damage to the property.
  - 7. At its discretion, the City may coordinate with Escambia County in management of Disaster Mitigation Assistance and as a result may align its program rules with the County for equitable administration.



<b>G. RENTAL ASSISTANCE</b>	Code: 13, 23, 26
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a. Summary: Funds will be awarded to renters that are in need of assistance with obtaining or maintaining a lease on a rental unit. This may include utility deposits, security deposits, rental assistance, 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: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low and Low
- d. Maximum award:
  - 1. Eviction Prevention: \$5000
  - 2. Security/Utility Deposits: \$2500
  - 3. Rental Assistance: \$14,500
- e. Terms:
  - 1. Repayment loan/deferred loan/grant: Grant
  - 2. Interest Rate: Not Applicable
  - 3. Years in loan term: Not Applicable
  - 4. Forgiveness: Not Applicable
  - 5. Repayment: Not Applicable
  - 6. Default: Not Applicable
- f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Very Low Income applicants, Special Needs Households, and Homeless Households.

Rental Assistance is only available to Very Low Income special needs or homeless households as defined in this plan. Up to twelve (12) month's rent may be provided.

- g. Sponsor Selection Criteria: A sponsor may be used for implementation of this strategy where assistance may not be carried out by City staff. Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. 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:
  - 1. Funds will be paid directly to landlord or utility company.
  - 2. Eviction Prevention will be provided as a one time payment covering up to three month's past due rent and late fees to help households remain stably housed.
  - 3. Security/Utility Deposits may be used in conjunction with Rental Assistance, with security/utility



assistance to be included in the maximum award calculation for Rental Assistance.  
4. Recipients of Rental Assistance must provide a minimum twelve (12) month lease.

### 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:

*Expedited processing of permits includes development orders and development permits including building permits, zoning permits, subdivision approval, rezoning, certification, special exception or variance approvals. The City's process is an online centralized process. The present system provides an expedited centralized "one-stop" process for affordable housing projects located within the City. The application provides an applicant the opportunity to note if the project is being supported with affordable housing funding. The City will provide for priority processing of affordable housing applications in the event a backlog is experienced.*

- B. Name of the Strategy: **Ongoing Review Process**  
An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

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

*The Affordable Housing Advisory Committee is directed to review local government policies and procedures that may impact affordable housing costs negatively and provide reports annually. The City is currently undergoing a Land Development Code review and revision process that includes review of affordable housing policies.*

- C. Other Incentive Strategies Adopted:

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

*The City of Pensacola does not have impact fee requirements.*

*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

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



A complete copy of the City of Pensacola's current Affordable Housing Incentive Strategies Reports are on record with Florida Housing Finance Corporation and the Florida Housing Coalition, and is available on the following City website: <https://www.cityofpensacola.com/198/Plans-Reports>

#### **IV. EXHIBITS:**

##### Required

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

##### Optional

- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement (Required if applicable).
- H. Other Documents Incorporated by Reference.

<b>City of Pensacola</b>
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Fiscal Year: 2025-2026	
Estimated SHIP Funds for Fiscal Year:	\$ 423,469.00
Salaries and Benefits	\$ 40,000.00
Office Supplies and Equipment	\$ 500.00
Travel Per diem Workshops, etc.	\$ 946.00
Advertising	\$ 700.00
Recording Fees	\$ 200.00
Total	\$ 42,346.00
Admin %	10.00%
	<b>OK</b>
Fiscal Year 2026-2027	
Estimated SHIP Funds for Fiscal Year:	\$ 423,469.00
Salaries and Benefits	\$ 40,000.00
Office Supplies and Equipment	\$ 500.00
Travel Per diem Workshops, etc.	\$ 946.00
Advertising	\$ 700.00
Recording Fees	\$ 200.00
Total	\$ 42,346.00
Admin %	10.00%
	<b>OK</b>
Fiscal Year 2027-2028	
Estimated SHIP Funds for Fiscal Year:	\$ 423,469.00
Salaries and Benefits	\$ 40,000.00
Office Supplies and Equipment	\$ 500.00
Travel Per diem Workshops, etc.	\$ 946.00
Advertising	\$ 700.00
Recording Fees	\$ 200.00
Total	\$ 42,346.00
Admin %	10.00%
	<b>OK</b>
<p>*All "other" items need to be detailed here and are subject to review and approval by the SHIP review committee. Project Delivery Costs that are outside of administrative costs are not to be included here, but must be detailed in the LHAP main document.</p> <p>Details:</p>	

**Exhibit B**  
**Timeline for SHIP Expenditures**

CITY OF PENSACOLA affirms that funds allocated for these fiscal years will  
(local government)  
meet the following deadlines:

Fiscal Year	Encumbered	Expended	Closeout Report
2025-2026	6/30/2027	6/30/2028	9/15/2028
2026-2027	6/30/2028	6/30/2029	9/15/2029
2027-2028	6/30/2029	6/30/2030	9/15/2030

If funds allocated for these fiscal years is not anticipated to meet expenditure deadlines, Florida Housing Finance Corporation should be notified according to the following dates:

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2025-2026	3/30/2028	6/15/2028
2026-2027	3/30/2029	6/15/2029
2027-2028	3/30/2030	6/15/2030

**Requests for Expenditure Extensions (close-out year ONLY) must be emailed to [robert.dearduff@floridahousing.org](mailto:robert.dearduff@floridahousing.org) and include:**

1. A statement that "(city/county) requests an extension to the expenditure deadline for fiscal year \_\_\_\_\_.
2. The amount of funds that is not expended.
3. The amount of funds that is not encumbered or has been recaptured.
4. A detailed plan/timeline of how/when the money will be expended.

*Note: an extension to the expenditure deadline (June 30) does not relieve the requirement to submit (September 15) the annual report online detailing all funds that have been expended.*

**Other Key Deadlines:**

AHAC reports are now due annually by December 31. Local governments receiving the minimum (or less) allocation may choose not to report.

ACFR financial statements are due each June 30 for the report ending September 30 of the previous year.



**EXHIBIT C**  
**HOUSING DELIVERY GOALS CHART (HDGC)**  
**FOR FY 2025-26, 2026-27, 2027-28**

[illegible]



FLORIDA HOUSING FINANCE CORPORATION													
HOUSING DELIVERY GOALS CHART													
2026-2027													
Name of Local Government:			City of Pensacola										
Estimated Funds (Anticipated allocation only):			\$	423,469									
Code	Strategies		Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership												
1, 2	Purchase Assistance	Yes			\$45,000	2	\$32,500	1	\$20,000	\$85,000.00	\$0.00	\$85,000.00	3
4	Demolition/Reconstruction	Yes			\$250,000		\$250,000		\$0.00	\$0.00	\$0.00	\$0.00	0
3, 6	Owner Occupied Rehabilitation	Yes	3		\$50,000	1	\$50,000			\$200,000.00	\$0.00	\$200,000.00	4
9, 10	Workforce Development	Yes			\$50,000	2	\$50,000		\$50,000	\$100,000.00	\$0.00	\$100,000.00	2
5	Disaster Mitigation Assistance	Yes			\$20,000		\$20,000		\$20,000	\$0.00	\$0.00	\$0.00	0
										\$0.00	\$0.00	\$0.00	0
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[illegible]

**CERTIFICATION TO  
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity:

CITY OF PENSACOLA

Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will ensure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.
- (7) The LHAP conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the LHAP.
- (8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.
- (9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.
- (10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the



local governments audited financial statements (ACFR). An electronic copy of the ACFR or a hyperlink shall be provided to Florida Housing by June 30 of the applicable year.

- (12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.
- (13) SHIP funds will not be pledged for debt service on bonds.
- (14) Developers receiving assistance from both SHIP and the Low-Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). 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.
- (17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.
- (18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Chief Elected Official or designee

\_\_\_\_\_  
Witness

\_\_\_\_\_  
D.C. Reeves, Mayor  
Type Name and Title

\_\_\_\_\_  
Date

**OR**

\_\_\_\_\_  
Attest:

(Seal)



**EXHIBIT E**  
**RESOLUTION**