

## **HOUSING & HUMAN SERVICES DEPARTMENTAL POLICY**

	<b>NUMBER:</b>	<b>HS-028 (SHIP)</b>
<b>TITLE:</b>	<b>Repair, Rehabilitation, and Reconstruction Housing Program Policy</b>	<b>CANCELS:</b> <b>January 11, 2011</b>
	<b>APPROVED:</b>	<b>April 25, 2017</b>
	<b>ORIGINATOR:</b>	<b>Housing &amp; Human Services Department</b>
	<b>REVIEW:</b>	<b>As needed</b>

### **I. OBJECTIVE**

This policy is designed to be utilized by the Housing and Human Services Department in implementation of the Repair, Rehabilitation and Reconstruction Housing Program as funded by the State Housing Initiatives Partnership Program administered by the Florida Housing Finance Corporation.

The intent of this policy is to clearly identify the specifications under which staff will implement programs that provide rehabilitation and repair assistance to owner occupied households at or below 80% of median income in eligible areas of the County, and reconstruction housing when it has been determined that it is not economically feasible to rehabilitate the unit. The Program will be implemented in partnership with private funding whenever available. The policy identifies authority levels for approval and eligibility restrictions, which exceed federal and state requirements.

### **II. DEFINITIONS & REFERENCES**

- A. Section 420.907 et seq. Florida Statutes, State Housing Initiatives Partnership Act.**
- B. Administrative Rule or Emergency Rule (as determined by state, county or federal declaration) of the Florida Housing Finance Corporation, 67-37 et seq., State Housing Initiatives Partnership Program.**
- C. Affordable Housing Advisory Council:** - Eleven member advisory board appointed by the Board of County Commissioners (BOCC) according to Florida Statue 163 to oversee Brevard County's affordable housing programs and to make recommendations to the BOCC on the allocation of housing program funds.
- D. Agreement:** Agreement refers to the Housing Assistance Agreement.
- E. Appeal Procedure:** Established procedure by which an applicant or client may make a complaint or appeal a decision made by the Housing and Human Services Department. HS-006

- F. Applicant/Borrower/Housing Client/Recipient:** A person or household who submits a signed and completed Housing and Human Services Department application for assistance. Applicant, Borrower, Housing Client and Recipient are used interchangeably in this document.
- G. Assets:** Defined by Section 8 regulations, 24 CFR Part 5 Subpart F 5.603(b). Actual or "imputed" income from assets is included in projected annual income.
- H Consortium Member:** Brevard County and the incorporated cities of Cocoa, Titusville, Melbourne, and Palm Bay.
- I Contractor:** State Licensed contractor who has met County and Department requirements to perform work under approved County programs, and has not been barred or suspended from performing federally financed work.
- J. Default:** The occurrence of any of the following events:
1. Nonperformance by the Borrower of any covenant, agreement, term or condition of the Mortgage, or of the Note, or of any other agreement made by the Borrower with the Lender in connection with such indebtedness, after the Borrower has been given due notice, as described hereafter, by the Lender of such nonperformance;
  2. Failure of the Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which shall have priority over the lien of the Mortgage;
  3. The Lender's discovery of the Borrower's failure in any application of the Borrower to the Lender to disclose any fact deemed by the Lender to be material, or the making therein, or in any of the agreements entered into by the Borrower with the Lender (including, but not limited to, the Note and Mortgage) of any misrepresentation by, on behalf of, or for the benefit of the Borrower; and
  4. If property does not remain the principal residence of the Borrower, or if all or any part of the property or an interest therein is rented, leased, sold or transferred by the Borrower.
- K. Deferred Loan:** A no interest loan to an eligible household which is forgiven without repayment upon satisfaction of all requirements of the Household's agreement and mortgage with Brevard County.
- L. Department:** The Housing and Human Services Department.
- M. Fair Housing:** Requirements for non-discrimination based on race, color, sex, disability, religion, familial status or national origin in accordance with Federal Regulations found at 24 CFR 100-146 and State Law FS 760.
- N. Florida Housing & Finance Corporation:** State Agency created by legislation to assist in providing a range of housing opportunities for Florida Residents.
- O. Foreclosure:** A legal proceeding initiated by a creditor to repossess the collateral for a loan that is in default.
- P. Green Energy Standards:** U.S. Department of Energy – Energy Efficiency and Renewable Building Technologies Program.

- Q General Property Improvements:** Improvements that are not corrections of health and safety violations, but improvements that brings the property into decent or sanitary condition.
- R. Household:** includes all dwelling occupants to include friends, legal spouse, children and relatives. Co-owners not claiming the applicant dwelling as their primary residence should not be considered part of the household and are not included in determination of eligibility if primary residency can be verified outside of the applicant's household for a period of six months or greater prior to the application.
- S. HUD:** The U. S. Department of Housing and Urban Development.
- T. Income:** Projected annual income established in compliance with SHIP regulations.
- U. Liquid Asset:** Assets in the possession of the household seeking assistance which can readily and promptly be turned into cash. Examples include, but are not limited to: Checking Accounts, Savings Accounts, Certificates of Deposit, Treasury Bonds, Money Market Funds, or Savings Bonds.
- V. Manufactured or Mobile Home:** Manufactured housing is a term applied to any type of factory-built housing; the 1980 amendment of the original 1976 HUD Code, defines "manufactured homes" as mobile homes that are not permanently installed. A factory built housing unit built to meet or exceed the Housing and Urban Development code that came into effect June 15, 1976.
- W. Minimum Property Standards:** Housing that is constructed or rehabilitated with grant funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion, 24 CFR 92.251. The housing must meet accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).
- X. Modular Home:** A factory built housing unit that is certified to meet or exceed the state and local building codes where the home is to be permanently installed. The modular home must have an approved device or seal issued by the Department of Community Affairs specified in Section 553, Part IV, Florida Statutes.
- Y. Mortgage & Note:** The County Mortgage and Note signed by a recipient of program services.
- Z. Principal Residence:** Residence utilized as the household's primary residence, as established by eligibility for the State Department of Revenue Property Tax Homestead Exemption. The household may not vacate the unit for more than 120 non-consecutive days in any one calendar year for any reason, other than a hospital or nursing home stay.
- AA. Program:** Repair, Rehabilitation and Reconstruction Housing Program.
- BB. Program Income:** All loans and grants awarded and repaid for eligible activities.
- CC. Recaptured Funds:** All loans and grants awarded and repaid for ineligible activities.
- DD. Reconstruction:** The rebuilding of a house on the same location.

- EE. Re-Inspections:** Re-Inspections (are required when extra/additional inspection trips outside of normal field inspections) are necessary due to the work not being ready for inspection when initially requested by the Contractor, such as, but not limited to, amount of work not consistent with draw request, rejected or unacceptable work due to nonconformance with specifications or substandard quality.
- FF. Rehabilitation:** Rehabilitation is defined as repairs or improvements necessary to make a dwelling conform to the local housing codes and to bring the dwelling to a maintainable condition.
- GG. Repair:** Repair is defined as repairs or improvements, which are needed for safe or sanitary habitation, correction of substantial code violations, or the creation of additional living space.
- HH. Satisfaction of Mortgage:** A document signed by a lender acknowledging that a mortgage has been fully paid and recorded with the County Clerk of Courts to clear the title to the real property owned by the person who paid off or satisfied their debt.
- II. SHIP:** State Housing Initiative Partnership Program administered by the Florida Housing Finance Corporation.
- JJ. Subordination:** The process of placing, ranking, or positioning a mortgage as secondary to the primary mortgages.

### **III. DIRECTIVES**

*Program Administration: The Brevard County Housing and Human Services Department shall be responsible for the administration of the Repair, Rehabilitation and Reconstruction Housing Program.*

#### **A. Property Eligibility:**

##### **1. SHIP Program:**

An eligible property is a single family unit, occupied as a principal residence by an eligible household, including the following:

- a. The owner occupied portion of a multi-unit property (e.g., one unit of a duplex).
- b. A condominium or cooperative unit (attached units will not be eligible for reconstruction under this policy.)
- c. A manufactured home or a mobile home constructed after June 1994 and built to the federal Manufactured Home Construction and Safety Standards (HUD Code). The home must be located on land owned by the homeowner and the owner agrees to have the unit removed from the site. As per Florida Statue 920.9075 Section (5) (C), no more than 20% of the Annual SHIP allocation can be spent on manufactured housing.

- d. A modular home approved and meeting local building code.
- e. Properties located within Brevard County not served by a comparable program administered by another Consortium member all exceptions must be approved by the Director.
- f. Property cannot have an after-rehabilitation value (after-rehabilitation value is determined by adding the cost of improvements to the property appraisers value) that exceeds 90% of the average purchase price for the area, as published by Florida Housing Finance Corporation.
- g. An environmental review shall be performed on all properties.
- h. A property that is free of exterior code violations. However, waivers may be granted on a case by case basis by the Department Director.

2. Flood Zone:

If it is determined that the property lies in a flood zone, the owner will be asked to demonstrate that there is flood insurance carried on the property until termination of the lien period.

3. Occupancy Standards:

Occupancy standards shall be consistent with the local codes approved by the Board of County Commissioners and local zoning requirements.

**B. Applicant Eligibility:**

- 1. The household of the Eligible Property Owner must have a projected annual income at or below 80% of the median income level adjusted for family size, as determined by an eligibility assessment conducted by the Housing and Human Services Department staff. Additionally, the property owner must:
  - a. Have a fee simple title; or
  - b. Maintain a 99 year leasehold interest; or
  - c. Have ownership or membership in a cooperative; or
  - d. Have a Life Estate; or
  - e. Have other forms of ownership approved by the Brevard County, County Attorney's office, and
  - f. Not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest, and

- g. Have all mortgage payments and property taxes and insurance (only if the property is eligible for insurance) current (i.e. no accumulated late fees due and/or house payments with consistent late fees), and
  - h. Have not received Housing Rehabilitation and/or Repair assistance up to \$50,000 during the last ten (10) years (from the date of mortgage signing).
  - i. Have not received Housing Rehabilitation and/or Reconstruction assistance greater than \$50,000 during the last twenty (20) years (from the date of signing the mortgage).
  - j. In all cases the Department Director reserves the right to waive conditions and approve or deny assistance following review.
2. Applicant(s) whose property lies in a municipality that has recently received infrastructure and/or improvements funded by Brevard County are eligible provided that approval is received from the Department Director or his/her designee.
  3. Applicant(s) must be a homeowner named on a Warranty Deed, Quitclaim Deed, or other recorded document, which demonstrates a valid ownership interest, as determined by the County Attorney's office. The property must be the Applicant's primary residence as determined by the filing of Homestead Exemption with the County Property Appraiser's Office.
  4. Net liquid assets, after subtracting all expenses, after conversions are considered, are eligible in determining an applicant.
  5. If more than one individual owns a property, the residence of the co-owner(s) must be verified, and the following conditions apply:
    - a. The co-owner(s) income must be included in the eligibility determination if the co-owner(s) resides in the household.
    - b. The co-owner's income is not counted if he/she is a spouse or former spouse who has documented another residence; however, the spouse or former spouse must sign the agreement and lien with the County.
    - c. The co-owner's income is not counted if he/she is not a spouse, and has documented his/her residence at another location; he/she must sign the Agreement and lien with the County.
  6. To complete determination of applicant eligibility, the program staff will request a title search of the proposed property to determine ownership interest and eligibility of the property.
  7. A review is conducted to ensure that County administered funds are utilized in a manner that ensures that financial accountability standards are met. An Applicant whose property has mortgage liens recorded against it which in total are in excess of the Property Appraiser's assessment of the property for the most recent assessment year shall be restricted to assistance of no more than \$35,000, to address safety, health, and code issues.

8. If an Applicant is determined to have liens and judgments against the property for which assistance is requested, guidance, counseling, and/or referral to remove these impediments will be offered. Applicants are not eligible until all impediments have been removed.
9. All persons living in the household at the time of application shall be included when computing family size.

10. Ineligible Applicants

- a. Applicants whose property lies in a municipality that administers its own rehabilitation and repair program, will not be accepted. These homeowners will be referred to the appropriate office within that municipality.
- b. Applicants who are scheduled to receive assistance with other housing assistance programs, or have demonstrated their intention to sell or transfer their property within the next year, or have a tax lien or other federal, state, or county government lien on their property.
- c. Applicants that are over-income (if a household is disqualified due to being over-income, the disqualification period will be 6 months from day of notice. At that time, the applicant/household may re-apply when funding becomes available).
- e. Applicants who are determined to be ineligible, or who decline assistance through the Program, and at a later date wish to re-apply, must wait at least six months before re-applying or when the Program is open to new applicants, whichever is later.
- f. Applicants denied assistance will be notified of the Department Approved Appeal Policy (HS-006).
- g. Applicants determined to be ineligible due to falsification or misrepresentation of application information in order to obtain assistance will be denied assistance for a minimum of two years.
- h. If a previously assisted client or household defaults without repayment, that client or household will not be eligible to receive further repair assistance.
- i. Applicants who fail to provide required documents within twenty-one (21) business days from date requested by the Housing Staff may be denied due to lack of response. Approval for an extension may be granted on a case by case basis from the Department Director or designee.
- j. Applicants with reverse mortgages or those properties owned by a trust.

- k. Applicants whose liquid assets exceed the current maximum assistance allowed for a reconstruction home as defined by the current Brevard County Reconstruction Housing Policy.

### **C. Marketing:**

1. Brevard County will take affirmative marketing steps to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area. A wide range marketing strategy will be implemented to ensure that eligible persons have a reasonable opportunity to be informed about the program opportunities being carried out by the Brevard County Housing and Human Services Department.
2. On an annual basis, the County will review its marketing efforts to assess strategy effectiveness. After each review of the success of the County's marketing actions, the County shall make adjustments to its marketing strategy as determined necessary. Additionally the County will affirmative further fair housing.

### **D. Waiting List, Applicant Intake and Ranking:**

The intent of this Program is to provide assistance to low income households who are living in substandard and unsafe dwellings, with special preference given to the elderly, disabled, and households with children under the age of five (5). The process that clients are identified, certified and finally assisted in the Program is outlined in the following steps:

1. Waiting List: The Department establishes and maintains a Waiting List when funds are available. A preliminary eligibility screening is initiated when an applicant contacts the Department and requests housing rehab/repair assistance. If in this preliminary process the household appears to be eligible, the applicant is placed on the Waiting List in the order in which the request is made (i.e., by date of contact).

Applicants are removed from the list when:

- a. they are determined, by the housing counselor, to be eligible to participate in the Program and their file is assigned to a housing inspector; or,
- b. they are determined by Department staff to be ineligible to participate in the Program.

The Waiting List will be closed to new applicants when the estimated costs for repair; rehabilitation or reconstruction for approved applicants exceeds 140 percent of that year's funding allocation. In the event the Department closes the Waiting List, it will re-open when new funding is available, at the Department's discretion.

Note: The Department reserves the right to adjust the Waiting List to meet State required Set-Asides and expenditure requirements.

2. Applicant Intake: When funds are available, households are contacted in order from the oldest date to determine whether they are still interested in participating in the Program. If they are, the Department will send an invitation letter and forms to the

applicant with a "reply by" date 21 business days from the date of the letter, to submit requested documentation. The application will be considered incomplete until all documentation necessary to determine a household's eligibility has been received. Among other criteria, Department staff will determine whether the household:

- a. lives in a municipality that is eligible to receive County funds;
  - b. has owned their home for at least two years;
  - c. does not have a reverse mortgage;
  - d. appears to meet income eligibility guidelines. Additional criteria are outlined in III. A and III. B of this Policy; and,
  - e. failure to return all requested documents and forms will result in a denial of applicant, unless an extension is requested and approved within the 21 business days from the date of the initial letter.
3. Wait List Ranking: Once the application is complete, it will be forwarded to the County's Housing Inspection team for a preliminary property inspection. The primary purpose of this inspection is to determine whether there are life threatening conditions at the property. This is also the first step in the ranking of applications. The ranking system is based on:
- a. the condition of the dwelling,
  - b. the composition of the household, and
  - c. the income level of the household.

The ranking score is the total of all points. The household with the highest score will be served first, followed by the next highest score, and so on. In the event that households have identical scores, homes with conditions that have been determined by the County Housing Inspection team to be life threatening will be served first. If scores remain tied, the household with the earliest application receipt date will be served first.

Ranking score potentials are shown below.

- a. Income:
  - i. household income 30% or less of area medium income: 30 points.
  - ii. household income 31% to 50% of area medium income: 20 points.
  - iii. household income 51% to 80% of area medium income: 10 points (this group is not eligible for Restoration assistance).
- b. Household Composition:
  - i. 10 points for each member 62 years of age and older.

ii. 10 points for each household member who is defined as "special needs".

iii. 10 points for each person five (5) years of age or younger.

c. Dwelling: 50 points for dwellings with life threatening conditions.

i. Life Threatening conditions are those requiring immediate corrective action due to occurrences of hazardous conditions that threaten the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection.

#### **E. Waivers:**

Contingent on the availability of funds, repairs, rehabilitation and reconstruction housing projects that require immediate corrective action due to occurrences of hazardous conditions that threatens the health and safety of the occupants as determined by a Housing and Human Services Department Housing Inspection can be approved for immediate assistance by the HHS Director.

#### **F. Structure of Financial Assistance:**

1. Property Owners who are determined to be eligible for assistance shall receive financial assistance for the repair, rehabilitation, or reconstruction of their home in accordance with the following schedule:

<b>INCOME LEVEL ADJUSTED BY FAMILY SIZE</b>	<b>MAXIMUM ASSISTANCE</b>
0%-50% Area Median Income	Repairs up to maximum amount allowable under applicable funding source
51%-80% Area Median Income	Up to \$50,000 in Repairs

2. Additional conditions that may affect the amount of assistance awarded are:

- a. Amount approved in the Brevard County SHIP Local Housing Assistance Plan Housing Goals Chart.
- b. The amount of assistance per client shall be inclusive of all hard and soft costs associated with the project,. Hard costs are all costs associated with construction. Soft costs will be considered a grant. Soft costs are those cost not associated with construction (i.e. labor distribution, recording fees, storage, lodging, etc.). Property owners must agree to higher lien amounts when unavoidable construction costs result in change orders.
- c. Prior to receiving repair assistance, the property owner must provide documentation of ownership in accordance to the following table.

MINIMUM REQUIRED OWNERSHIPS	ASSISTANCE AMOUNT
2 years	\$0 - \$35,000.00
5 years	\$35,001.00 - \$55,000.00
10 years	\$55,000.00 and over

3. Any Property Owner who cannot provide documentation of ownership for the required minimum period may request a review and determination of eligibility by the Housing and Human Services Department Director or Designee. A Property Owner may receive a determination of eligibility under the following documented conditions: the property was previously owned by person(s) related to the current owner by blood, marriage or adoption, and the combined ownership period meets or exceeds the minimum established above; or the Property Owner can document continuous residency of the property for the required period by a combination of ownership and tenancy, including contract for deed or lease purchase agreements. A request for determination of eligibility may be made for similar heir and title issues.
4. Reconstruction eligible clients with existing mortgages, who do not require reconstruction value repairs will be eligible for up to \$70,000 in assistance.
5. An applicant whose property has mortgage liens recorded against it which in total are in excess of the Property Appraiser's market value assessment of the property for the most recent assessment year shall be restricted to assistance of no more than \$50,000, to address safety, health, and code issues.

#### **G. Agreements and Liens:**

1. Agreement: Upon verification of income eligibility, the Eligible Property Owner will be required to participate in a Brevard County approved Home Maintenance and Budgeting training class and sign an agreement that:
  - a. Stipulates restrictions on the transfer or sale of the property
  - b. Includes the amount of eligible assistance
  - c. Identifies the County as a party to the Agreement as the Owner's agent to contract for and carry out the agreed upon repairs and improvements.

Agreements will be executed by the County Manager or his/her Designee for all units receiving \$25,000 or more in assistance, and by the Department Director or designee for all units receiving \$24,999 or less in assistance.

2. Owner-Contractor Agreement: Upon receipt of an approved quote or bid, the property owner will sign an owner-contractor agreement with the awarded contractor which includes the scope of work to be performed.

3. Mortgage: Assistance will be provided in the form of a deferred payment loan. All deferred payment loans will be secured by a mortgage lien recorded against the property. The mortgage shall not incur interest, nor shall payment be required if the property continues to be used as the Principal Residence with no default. Homeowner will also agree to sign a mortgage modification for a higher lien amount should costs go above the originally executed mortgage amount.
4. Death of the Housing Client: Housing Client as used herein shall mean the Borrower. Upon the death of the Borrower during the mortgage period, the mortgage balance shall become due in full, unless at the time of the borrower's death an eligible spouse or family member desires to reside in the home (family member includes domestic partner, provided that the individual can establish proof of residency in the home for a period of at least six (6) months prior to the death of the Borrower).
  - a. If an eligible family member wishes to assume the existing mortgage, the family member shall have 180 days to make a written request to the Director of the Housing and Human Services Department to assume all of the obligations specified in the Borrower's mortgage. If a written request to assume the mortgage is not made within 180 days, Brevard County shall declare the Borrower's estate to be in default, and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
  - b. However, if within 180 days an eligible family member submits a written request to the County to assume the mortgage, the family member must demonstrate proof of legal title to the property and meet the current income and assets qualifications of Brevard County.
    - i. If the property does not have to undergo Probate, the family member shall have ninety (90) days to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
    - ii. If the property must undergo Probate, the family member shall have ninety (90) days from the date of acquiring clear title to the property, and have been determined income-eligible by the County, to assume the mortgage. If ninety (90) days pass and the family member has not assumed the mortgage and note, Brevard County shall declare a default and will require repayment of the mortgage balance. Repayment shall occur within ninety (90) days of the declaration of default, or at the time the property is refinanced, sold or transferred, whichever is soonest.
  - c. In the event the County declares a default and ninety (90) days pass without repayment to the County, the following shall occur: (a) the mortgage balance shall be frozen at the balance in place on the date of the Borrower's death; (b) the mortgage balance will cease to depreciate at the annual rate; and, (c) interest

shall accrue at 5% per annum. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.

5. Upon completion of project and/or the issuance of a Certification of Occupancy, uninsurable homeowners must secure homeowners and flood (if applicable) insurance. Failure to secure homeowners and flood (if applicable) insurance within sixty (60) business days of completion will result in a default.
6. Default of the Housing Client: Upon default of the Housing Client, the County may, at its option, declare all sums secured by the Mortgage to be immediately due and payable. Otherwise Brevard County will require repayment of the mortgage balance at the time the property is refinanced, sold, or transferred. If no refinance, sale, or transfer of the property occurs at the time of default of the Owner, the mortgage balance shall cease to depreciate at the annual rate and will be frozen at the balance in place at the date of default. After 90 days, if the lien is not paid in full, interest shall accrue at 5% per annum. The lien will continue against the property until repayment plus interest is satisfied. All eligible funds repaid to the County shall be considered program income. All defaulted loans repaid to the County will be considered recaptured funds. Provided, however, that accrued interest plus the mortgage balance at the time of the Borrower's death shall not exceed the amount of the Mortgage Note last executed by the Borrower. The lien will continue against the property until repayment plus interest is satisfied.
7. The County reserves the right to foreclose if the default is not cured.
8. Brevard County's mortgage is not considered satisfied until a Satisfaction of Mortgage is recorded with the Clerk of Courts.
9. The length of the mortgage period is determined by the amount of funding used for repairs. The mortgage amount is depreciated on an annual basis if the Owner continues to reside in the unit in accordance with the terms of the Agreement. On each anniversary date of the execution of the mortgage, the value of one year's payment will be deducted from the balance owed in the following manner:

<b>Lien Period</b>	<b>Assistance Amount</b>	<b>Annual Depreciation</b>
5 years	\$0-\$15,000	1/5 of loan amount
10 years	\$15,001-\$40,000	1/10 of loan amount
15 years	\$40,001- The maximum amount allowable under the applicable funding source	1/15 of loan amount
20 years	New construction for rental units	1/20 of loan amount

10. The deferred mortgage lien is recorded prior to commencement of the construction project.
11. Any post-construction agreements or warranties are between the Homeowner and the Contractor.

12. In order to be approved for reconstruction the property must be free of mortgages or the existing mortgage holder(s) must agree to subordinate its interest to Brevard County Board of County Commissioners.
13. In the event the homeowner is eligible for the maximum amount of assistance and has no existing mortgage, but is determined by inspection to only require rehabilitation, the maximum amount available for rehabilitation shall be \$70,000. With the Department Director's approval, up to an additional \$6,000 may be utilized for construction to address unforeseen safety, health, and code issues.

#### **H. Repairs:**

Repairs will be limited to \$50,000

Repairs that are necessary for long term preservation and maintenance of structural integrity are outlined below:

- a. Septic system repairs
- b. HVAC repair/replacement
- c. Repair to broken plumbing lines
- d. Electrical hazard repairs
- e. Water heater repair/replacement
- f. Handicap accessibility installations
- g. Any other situation deemed to be an eligible repair after conducting an inspection, completing a work write-up, and receiving the approval of the Department Director or his/her designee.

#### **I. Rehabilitation:**

Rehabilitation will be limited to \$70,000

A rehabilitation loan may only cover the cost of rehabilitation necessary to make a dwelling conform to the local housing codes and to bring the dwelling to a maintainable condition as determined by a Housing and Human Services Department Housing Inspection.

Upon completion, all repairs or improvements provided will meet all state and local codes, ordinances, and requirements. Additionally, all rehabilitation must address health and safety defects immediately, determine useful life cycle of major systems as well as address any lead based paint and accessibility laws and regulations.

1. Eligible rehabilitation activities are as follows:

- a. Existing Code Violations — The correction of existing violations that have been identified by a qualified housing inspector and formalized in an individualized housing report.

- b. Materials - Materials identified and determined necessary in the work-write up or subsequent change orders to complete the necessary repair, rehabilitation, or reconstruction housing.
- c. Incipient Code Violations - An incipient violation exists if, at the time of inspection, there is an element in the dwelling which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the lien period and become a code violation.
- d. Permits and Fees - funds may be used to cover the cost of building permits and related fees required to carry out the proposed work. Since the rehabilitation contract documents will require the contractor to pay them, these costs ordinarily would be included in the contract amount.
- e. Equipment - funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary, and healthy environment. These include such items as heating furnace, water heater, electrical and sanitary fixtures, kitchen stove, refrigerator, cabinets, and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary, or non-functional.
- f. Special Needs - Special alterations or costs related with making the dwelling more convenient or accessible for handicapped persons. All work performance in these units must comply with all applicable codes as well as all Federal and State regulations.
- g. Energy Conservation - All costs associated with weatherization and energy conservation in substantial rehabilitation or reconstruction, as determined by the housing inspector, must comply with U.S. Department of Energy and Renewable Energy Building Technologies Program.
- h. Lead Based Paint - All costs associated with the control of lead-based paint hazards must comply with 24 CFR, Part 570, Section 608.
- i. Furniture Moving and Storage - The cost of storing household furnishings during construction is an eligible expense. The homeowner's role in moving or storing household furnishings during the construction phase of the project will be initially discussed during the signing of the Housing Assistance Agreement and again during the Construction Agreement signing. The County's function is as a funding source. Any liability issues associated with the storage of the Homeowner's property shall be between the Homeowner and the Storage company.
- j. Plans - All Plans identified and determined necessary in the work-write up completed by the assigned Housing and Human Services Department inspector.
- k. Filing Fees and other associated soft costs - i.e. title searches, storage, lodging, insurance, etc.
- l. Environmental requirements - all costs associated with the environmental review and possible mitigation.

**J. Reconstruction Housing:**

Reconstruction will be limited to \$145,000

- 1.) When reconstruction is recommended, a completed preliminary inspection report, work write-up and cost estimate, with supporting documentation (a checklist or narrative stating deficiencies in the existing structure and photographs) must be submitted to the Construction Supervisor and Department Director for review and approval. If there is concurrence with the determination, written permission to proceed will be provided.
- 2.) The intent of a reconstruction housing activity is to provide assistance to homeowners who otherwise might not be helped due to the prohibitive cost of rehabilitating the existing home. Funding for a reconstruction home, if deemed the most cost-effective solution to the housing deficiencies, shall be offered by the Department.
- 3.) Rehabilitation of a home that has been determined to be in need of reconstruction is prohibited.
- 4.) A reconstruction home does not necessarily have to match the existing home in terms of square footage, number of bedrooms and bathrooms, or other design/amenity consideration. As per 24 CFR Part 982.401(d)(2)—At a minimum, the dwelling unit must have a living room, kitchen area and a bathroom. Also, it must have at least one bedroom for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom.
- 5.) The reconstruction home must provide all permanent residents of the home with safe, decent, and sanitary housing within the terms of State, Federal, and Local Codes.

**K. Ineligible Activities:**

- 1.) Renovation of detached accessory buildings;
- 2.) Appliances not required by code;
- 3.) Materials, fixtures, equipment, or landscaping of any type or quality that exceeds that customarily used in the local jurisdiction for properties of similar type; and
- 4.) Construction or repair work on swimming pools or pool equipment.

**L. Determination of Work:**

1. The Department is responsible for determining the rehabilitation work necessary to bring a dwelling into conformance with codes and with the objective of the program.
2. Upon determination of property eligibility, program inspectors will perform historical research of the property and conduct an inspection utilizing Local Housing Code for Existing Housing adopted by the Brevard County Board of County Commissioners, and Department approved housing rehabilitation quality standards.
3. After the research and inspections are complete, the assigned Housing and Human Services Department Inspectors will prepare work specifications and a cost estimate as

indicated in the Housing and Human Services Department Standard Operating Procedures for Construction Project Specialist Inspectors.

4. Rehabilitation Standards must be adequate to extend the useful life of the property for at least the term of the loan, preferably longer, to protect the security of the rehabilitation loan. Department approved rehabilitation standards shall include at a minimum:
  - a. Correction of all violations of the Local Housing Code.
  - b. Addition of energy efficiency improvements that decrease the operating cost of the unit.
  - c. All requirements of reconstruction materials that meet Federal Housing Authority (FHA) Minimum Property Standards and applicable industry standards.
  - d. Replacement of household systems and equipment on a unit for unit basis.
  - e.) All units- pre 1978 will be evaluated for the potential presence of lead-based paint. Owners will be noticed on the hazards of lead based paints. The treatment of defective paint surfaces is required.
  - f.) All units will be evaluated for asbestos, and when present, the Department will follow the mitigation recommendations.
  - g.) Once work is determined, the inspector will consult and advise the Homeowner of the work to be done.

**M. Work write-ups and cost estimate:**

1. The work write-up and cost estimate is a statement based on the inspection and itemizes all the rehabilitation work to be done on the dwelling. The work write-up is done utilizing the Housing Inspection checklist and includes an estimate of the cost of each item. The cost estimate will be reasonable, reflect prevailing labor and material costs, and reflects a reasonable profit for the contractor and determined by current market standard and funding regulations. The work write-up will be detailed and specific in style. This same write-up without the cost estimate will serve as a part of the specifications for the construction bid documents.

Each item of work and its estimated cost will be identified in the work write-up by entering the cost estimates in a columnar arrangement. A work write-up need not contain details such as color, style, or pattern that have no significant effect on cost. The term "to be selected by owner" may be used appropriately.

2. The assigned inspector will consult with the homeowner on the work write-up and cost estimate. The final work write-up (without costs) will be used by contractors for determining their bids and will be incorporated into the rehabilitation bid documents.
3. The inspector will work with the homeowner to coordinate and schedule a mandatory walk-through for contractors selected by the homeowner to submit bids for work per scope determined under Section M, N.1 and N.2.

**N. Construction Bid Document:**

1. The Construction Bid Document will provide a clear, detailed understanding of the nature and scope of the work to be done in order to serve as a basis for bids from contractors. The homeowner should have a clear understanding of the nature and scope of the work to be done and any limitations that may exist.
2. Each Construction Bid Document will show the nature and location of the work and the quantity and types of material required.
3. The Construction Bid Document will refer to manufacturers' brand names or association standards to identify quality of material and equipment and may make provision for acceptable substitutes or quality. Brand name requirements may be included in the "General Conditions and Specifications" and indicated by reference in the work write-up.

**O. Lead-Based Paint Provisions:**

1. The Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X) requires housing rehabilitation programs which receive federal assistance to test for the presence of lead-based paint and take appropriate action to reduce the hazard.
2. The requirements in regards to lead-based paint are dependent on the cost of the rehabilitation. Costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance, and waste handling attributed to lead-based paint hazard reduction are not to be included when determining cost of rehabilitation. However, these costs plus the cost of rehabilitation must not exceed the County's subsidy limit.
3. This program will adhere to state guidelines on lead-based paint where applicable.

**P. Contractor Procurement:**

1. Homeowner Education: The Owner and/or a family designee are instructed on Contractor solicitation, including: licensing requirements of contractors, checking references of Contractors, and Program requirements of Contractors.
2. Homeowner Involvement:
  - a. All known issues relating to the proposed work will be resolved before proceeding to Contractor procurement.
  - b. The Eligible Property Owner will be provided with a package, which includes a copy of the agreed upon Construction Bid Document, instructions on how to find a Contractor, required insurance, and other contractor requirements. The Eligible Property Owner must obtain a minimum of three sealed bids for the work to be done. The Eligible Property owner will be given a deadline of 30 days from receipt of the Contractor package to obtain the bids. The Program will supply the Eligible Property Owner with a list of Contractors that have required license and insurance. The Eligible Property owner is not required to select a contractor from this list. The list is provided for information purposes. However, all contractors participating in the program must be properly

licensed and insured and must not be on the States debarment and suspension list. Annually, the Department will advertise to allow new contractors the opportunity to be added to the list.

- c. The Eligible Property Owner and the assigned inspector will review all sealed bids together and will submit the lowest bid, along with all other returned bids, to the Program for review. The Program will review the lowest bid for the completeness of the bid, and the cost reasonableness of the proposal. Reasonable bids are expected to be within 10-15% of the in-house estimate. If the estimates are too high, the Program may work with the Eligible Property Owner and Contractor to scale down the scope of work, or the Program may ask the Eligible Property Owner to obtain a lower bid. Should all bids exceed the maximum allowable budget, to include construction costs, lodging, storage, labor distribution, and administrative costs, the Program shall deem the project as ineligible. d. For repairs, when only one trade is needed to do the repair (i.e. roof, HVAC or plumbing) the homeowner can obtain three (3) written quotes directly from licensed and insured trade contractors.
  - e. The awarded contractor's bid submittal will be incorporated into the Owner Contract Agreement documents. The Project Inspector will conduct an agreement signing with the Owner and awarded Contractor. The Project Inspector will read each page of the Owner Contractor Agreement document(s) and have the Owner and Contractor initial each page to indicate their acknowledgement of the contents.
  - f. Contractors consistently performing substandard work or receiving multiple homeowner complaints will be removed from the contractor list for a minimum period of one (1) year.
3. The County's role is that of a lender, authorizing the disbursement of funds after inspection and approval by the Eligible Property Owner and Program staff. The Disbursement Schedule will be included in the Agreement with the Eligible Property Owner.

**Q. Suspension and Disqualifications of Contractors:**

Contractors may be suspended or disqualified from participation in the programs for any of the following conditions; but not limited to:

1. Self imposed: A Contractor may disqualify them before contract signing for conflicting work contracts, personal hardship or any other reason.
2. Lack of Participation: A Contractor that does not participate or respond to an invitation to bid within a twelve-month (12) cycle may be placed on Inactive Status, will be removed from the Contractors List and must reapply to be reactivated.
3. Insurance Violations: If at any time a Contractor fails to have required insurance, they will be automatically suspended until proof of insurance is provided. The Contractor must have insurance at all times. Any changes in coverage must be reported to Brevard County Housing and Human Services Department and Building Department in writing within five working days of such said change, including renewals.
4. Business License Violations: Any Contractor who has a license suspended, revoked, rejected or inactivated will be automatically disqualified. All license renewals must be current and a copy provided to the Department.

5. Failure to Honor Warranties: Any Contractor who fails to honor a warranty from a previous contract will be barred from future bidding and must reimburse the Brevard County Housing & Human Services Department for the cost of any work performed by another Contractor to correct the warranty work.
6. Debarment: If a contractor does not complete an assigned project they will be disqualified indefinitely for participating in any programs through Brevard County Housing and Human Services Department.
7. Suspension: If a contractor fails to complete two (2) or more projects within the agreed upon timeframe, inclusive of approved time extensions, within a twelve (12) month period, they will be suspended from participating in any programs through the Brevard County Housing and Human Services Department for a minimum period of one (1) year..
8. Willful Misconduct: Willful misconduct by Contractor, employees, or sub-Contractors while engaged in Brevard County Housing and Human Services Department work project will not be tolerated. The Contractor may be disqualified from the program for allowing behavior such as, but is not limited to theft, lewd or lascivious acts, foul language, public intoxication, illegal drug use, smoking within the house, willful destruction of owner's property or abusive behavior towards homeowner or staff.
9. Contractor Negligence: Contractors that do not adhere to building codes, construction industry standards, contract specifications, and/or material requirements will not be paid for applicable work unless approved in advance and in writing by the Owner and the Project Inspector. Continued non-adherence may result in suspension or debarment from the housing program.
10. Payment Delinquency: Failure to pay subcontractors or material suppliers that result in any lien being placed on the Homeowner's property shall be reviewed for the debarment of Contractor from the program.
11. Kickbacks/Price Fixing: Any evidence of kickbacks or price fixing by or between Contractors, its employees, officers, homeowners, agents, partners, representatives or any other affiliates will automatically disqualify the Contractor indefinitely.
12. Brokering of Work: No person or persons, shall broker any Brevard County Housing and Human Services Owner-Contractor Agreement to another licensed or unlicensed Contractor. Anyone caught brokering work, or receiving a brokered contract will be immediately suspended and possibly be disqualified indefinitely from participating in any work program through Brevard County Housing and Human Services Department.

**R. Temporary Relocation/Storage:**

1. Relocation assistance may be provided by the County to Owners, when determined to be necessary by Program staff, and shall include the cost of storage of personal and household property and shall not exceed actual and reasonable costs. However, packing and moving costs for household furnishings shall be the responsibility and at the expense of the property owner.
2. If the project is delayed due to the fault of the Contractor, the Contractor shall pay the excess relocation assistance cost as liquidated damages.

#### **S. Construction Procedure:**

1. Upon approval of the Contractor, the quote will be accepted in writing, a pre-construction meeting with the Owner will be scheduled, and the Contractor will be given notice to proceed with the agreed upon work.
2. Prior to proceeding, the Contractor must provide a complete list of all subcontractors that will be utilized (including all contact information) and a construction schedule.
3. The Contractor is responsible for obtaining all required permits before beginning work and in a timely manner.
4. Time is of the essence in completion of work, and a Contractor may be charged liquidated damages for non-compliance with the approved schedule.
5. Sweat Equity: In order to prevent costly delays and interruptions to the Contractor's schedule, an owner (including relatives and/or friends) may not perform work on the Eligible Property during the construction period. Should an Eligible Owner wish to perform some improvements to the Property that is outside the scope of the work write-up, those improvements must be performed prior to the Contractor solicitation, or after the job has been completed and final payment has been made.
6. Contractors shall not perform any work outside scope approved by project inspector and signed by both owner and contractor. Non-adherence may result in suspension or debarment from the housing program.

#### **T. Inspections, Change Orders and Payments:**

1. Inspections: Field Inspections will be made as often as necessary to assure that the work is being completed in accordance with applicable codes and standards and are in line with the terms of the construction contract.
2. Re-inspection Fees: The Department shall impose a fee for each subsequent (second) re-inspection after the first re-inspection for the same violation specifically and continuously noted in each rejection. The fee shall be \$30.00 for the second and each subsequent re-inspection. The fee shall be deducted from the next submitted draw request, documented by change order, with the funds being returned to the applicable grant.
3. Change Orders: All requests for change orders must be approved by the Owner prior to submission to the Program. Change orders must be reviewed for determination of need and must be issues outside of the contractor's control. The Construction Supervisor is authorized to approve change orders that in aggregate do not exceed 10% of the original contract. The Department Director or his/her Designee is authorized to approve change orders up to \$24,999.99.
  - a. The owner may, from time to time, without invalidating the Owner-Contractor Agreement, request changes, additions, alterations, or other modifications in the work to be performed. These change orders shall be limited to health, safety, and code violations that were unforeseen or unknown. Cosmetic items are not an allowable change order.

- b. The Contractor's proposal substantiating a Change Order shall be itemized and segregated by labor and materials for the various components of the change in work (no aggregate labor or material totals will be acceptable). Maximum markup percentage fee shall be a single markup percentage not-to-exceed ten percent (10%) of the net direct cost of labor, materials and installed equipment incorporated into the change or extra work.
- c. For subcontractor work, the subcontractor's cost substantiating a Change Order shall be a written proposal, on the Subcontractor's letterhead, itemizing the work to be performed by a subcontractor. The maximum markup percentage fee allowable to the Contractor supervising the subcontractor's work shall not exceed five percent (5%) of the net of all approved change order work by all subcontractors combined for any particular change order proposal.
- d. For deductive change orders, credit will be applied to the itemized cost included in the work write-up.
- e. Upon request, Contractor shall, within two (2) business days, respond in writing to Owner and Project Inspector with any increase in cost or delay in completion of the work based upon the request.
- f. Owner and Project Inspector shall have three (3) business days to decide whether to order the requested changes to be implemented or to withdraw the request. All approvals are contingent upon funding availability.
- g. The Department Director may authorize work associated with change orders when an unsafe, hazardous condition exists and/or when failure to achieve prompt resolution of the change will result in demobilization of the Contractor, or a significant delay in completing the project, in any amount under \$25,000.00. The Contractor shall provide an estimated cost of the work with the change order. Final cost shall be determined by the actual costs incurred.

4. Progress Payments:

- a. Upon receipt of an invoice from the Contractor, both the owner and Program staff will inspect work for quality and completion. Contractor shall provide a release of lien for completed work by each sub-contractor invoiced in the previous payment request.
- b. Payment will be issued to the Contractor, for such amount as the Department determines to be properly due, or the Department will state in writing, within 5 days, cause for withholding a payment. The Department reserves the right to withhold payment for defective work and/or pay subcontractors directly.
- c. The Department, on the basis of reasonable and verifiable evidence, may withhold from any payment, such amounts as may be necessary for protection of the Owner and Department against loss caused by:
  - i. Defective work not remedied
  - ii. Third party claims filed

iii. Failure of the Contractor to make payments to Subcontractors

iv. Failure to pay for material, equipment, or labor

v. Failure to perform the work in accordance with the Agreement documents; or to provide a construction schedule as required by the Agreement

5. Contractors contracted for rehabilitation/reconstruction work in which the County's funding exceeds \$15,000 will have ten percent (10%) of their progress payment requests subject to retainage. The retainage will not be released until all punch list items (a written list of deficiencies that are identified near the end of construction) are completed satisfactorily and all close-out documents have been provided. If a dispute over quality or completion of work is not resolved within thirty (30) days after substantial completion of the project, the retainage will be held until resolution occurs.
6. The Brevard County Housing and Human Services Department reserves the right to make payments to Contractor, without the Homeowner's signature/approval, or directly to a subcontractor should a situation be deemed necessary, on a case by case basis with the Director's approval.

#### **U. Final Payments:**

Final payment is not made until the Contractor provides Release(s) of Liens, copies of permits, an approved and completed Building permit, and completed copies of the Project Warranty and Close-out form. Any incidence of inadequate performance by a will be documented in accordance with Department and County policy and procedure. A list of incomplete work or work that is unsatisfactory will be provided to the contractor. When these items are completed to the satisfaction of the homeowner and inspector, the contract is complete.

#### **V. Liquidated Damages:**

Should the Contractor fail to substantially complete the Work on or before the date stipulated in the Construction Notice to Proceed (or such later date as may result from an extension of time granted by the Owner and the Department), Contractor shall pay, as liquidated damages, additional lodging and storage costs as invoiced, plus the sum of fifty dollars (\$50.00) for each consecutive calendar day the terms of the agreement remain unfulfilled beyond the date allowed by the agreement, which sum is agreed upon as reasonable and proper measure of damages which the Owner and the County will sustain per day by failure of the Contractor to complete within time as stipulated; it being recognized by the Owner, the County, and the Contractor that the injury to the Owner and the County which could result from a failure of the Contractor to complete on schedule is uncertain and cannot be computed exactly. In no way shall cost for liquidated damages be construed as a penalty on the Contractor.

For each consecutive calendar day the work remains incomplete after the date established for completion, the Owner and the County will retain from the compensation otherwise to be paid to the Contractor the sum of Fifty Dollars (\$50.00). This amount is the minimum measure of damages the Owner and the County will sustain as a failure of the Contractor to complete the remedial work, correct deficient work, clean up the project, and other miscellaneous tasks as required to complete all work specified. This amount is in addition to the liquidated damages

prescribed above and represents compensation for additional costs the Owner and the County could incur or suffer caused by on-going construction while occupying the project. Such costs could include, but are not limited to, temporary facilities or structures, reduced employee efficiency, additional operating costs, employee overtime, insurance, etc.

The amount of liquidated damages set forth above shall be assessed cumulatively.

The amount of liquidated damages recovered shall be deducted from the Owner's mortgage assistance.

**W. Close-Out:**

The homeowner's signature on the Certificate of Completion and Final Inspection indicates acceptance of the rehabilitation work as meeting the terms and conditions of the contract. If the homeowner refuses to sign the final acceptance, the inspector may authorize full payment for those items which are determined to be completed in compliance with the contract and all applicable codes pending the approval of the Department Director or his/her designee. Assistance is completed upon final acceptance by the Owner of completed work and Program authorization for final payment.

**X. Conflict of Interest of Public Officials:**

No elected or appointed Federal, State, and local official or any other public official or employee who exercises any functions or responsibilities in conjunction with the administration of Brevard County Housing and Human Services Department's Housing and Rehabilitation Program shall have any interest, direct or indirect, in the proceeds or benefits of the rehabilitation program.

**Y. Kickbacks and Discounts:**

No elected or appointed Federal, State, local official, or any other public official or employee shall receive kickbacks or discounts from either contractors or property owners in return for special favors.

**Z. Subordination of County Liens:**

1. Only requests that increase the affordability of the housing unit or assist a household with catastrophic medical expenses (for the lien holder or relative of the lien holder) not associated with consumer debt shall be considered.
2. Requests, which include the receipt of cash from the refinancing transaction, will not be considered.
3. A Homeowner requesting a subordination of the County's lien must make this request in writing, indicating the reason for the request. The County Manager or Designee must authorize any subordination requested. Staff will identify for the County Manager or Designee, the current status of the County's equity position, and the equity position if the subordination request is approved.
4. Clients must not be in default of the County mortgage.

5. The Homeowner may be charged any recording fees necessary for the subordination or included as part of their closing costs.

**AA. Follow-up:**

Annually random checks of homeowner's insurance and flood insurance (if applicable), the Brevard County Property Appraiser's and Tax Collectors websites will be made to ensure that the property remains the primary residence the eligible homeowner.

**BB. Request for Determination**

When a request is received concerning the status of an existing mortgage lien, whether for purposes of subordination, satisfaction, bankruptcy, or other similar purpose, the Housing and Human Services Department will evaluate the mortgage lien and adopt the current, approved policy. This action may result in amortization of mortgage balance, reduction of lien term, or satisfaction of mortgage.

**CC. Satisfaction of Mortgage:**

Upon satisfactory completion of the lien terms, a satisfaction of mortgage will be completed and filed with the clerk of the court after review of the County Attorney and approval of the County Manager or Designee.

A Homeowner seeking a satisfaction which includes a short payoff request (less than the total amount owed on the County's lien) must make this request in writing, indicating the reason for the request. Staff will identify for the County Manager or Designee, the current status of the County's equity position and any other applicable grant requirements. If all grant conditions are met and the reason for the request is acceptable, the County will accept as its payoff, an equal percentage as that being accepted by the First Mortgage Holder (i.e., First Mortgage Holder has a Lien of \$100,000 and accepts 50% or \$50,000; Brevard County has a lien of \$40,000 and accepts 50% or \$20,000).

If the First Mortgage Holder is a Federal or State lending entity (i.e., Freddie Mac, Fannie Mae, Federal Housing Authority (FHA), VA Administration, Florida Housing Finance Corporation etc.) and its guidelines set a maximum allowable payoff, The County will accept the maximum allowable payoff for satisfactory completion of the County's lien. In cases where multiple Federal or State Lending entities have an interest in the property, the County will take an equal share of the maximum allowable payoff ( i.e., FHA \$6,000; VA \$6,000 and Brevard County \$6,000).

**DD. Appeals:**

Any Applicant or client wishing to make a complaint or appeal a decision made by the Program shall be given a copy of the Department Approved Appeal Procedure. Applicants denied assistance for reasons not specified in this policy will have the right to appeal to the Affordable Housing Council.

**IV. RESERVATION OF AUTHORITY**

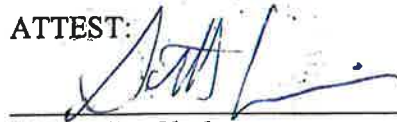
The authority to issue and/or revise Policies is reserved to the Board of County Commissioner.



Curt Smith, Chairman  
Brevard County Board of County Commissioners

Approved by the Board April 25, 2077

ATTEST:



Scott Ellis, Clerk