

Hernando County, Florida



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2026-2027, 2027-2028, 2028-2029



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I. PROGRAM DETAILS:

A. LG(s)

Name of Local Government	Hernando County
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	N/A

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: 2026-2027, 2027-2028, 2028-2029

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, people or entities that can provide housing or support services and lead agencies of the local continuums of care.

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

G. Public Input: Public input was solicited through face-to-face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability.

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

I. Waiting List/Priorities: A 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.



- J. **Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.
- K. **Support Services and Counseling:** Support services are available from various sources. Available support services may include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling and 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.

“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/county finds that the money 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
Local Government	Program Administration	10%
Third Party Entity/Sub-Recipient	N/A	N/A

- 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 performed by non-county housing staff may include underwriting services, title searches, credit reporting, appraisals, Phase I or Phase II environmental assessments, loan closing, recording fees and document stamps, surveys, termite inspection, lead based paint inspection, initial inspection/review, work write-ups, cost estimates, construction inspection and oversight, and case management oversight until construction completion. These project/program delivery costs are actual amounts of services and deliverables necessary to complete the activities. The following maximum percentages of the grant funding provided will be allowed for construction projects with SHIP funds: Program/Project Delivery Fee reasonable and not to exceed 3%.



- T. **Essential Service Personnel Definition (ESP):** ESP includes Hernando County School District employees, teachers and educators, other school districts, community college, and university employees, police and fire personnel, health care personnel, and skilled building trades personnel, government personnel, retail workers, tourism industry workers, food service personnel and Hernando County childcare personnel.
- U. **Describe efforts to incorporate Green Building and Energy Saving products and processes:** On all rehabilitation and replacement projects, Hernando County is requiring the use of green, energy efficient materials as appropriate. When replacing older obsolete products and appliances the following “green” standards will be implemented for all homes rehabilitated, including new home construction to include appliances replaced shall be Energy Star Rated, Gas water heaters that are replaced or installed shall be Energy Star Rated, all exterior doors and windows that are replaced or installed shall be Energy Star Rated, all light fixtures and ceiling fans that are replaced or installed shall be Energy Star Rated. Weatherization of all homes rehabilitated at a minimum shall include attic insulation, and if appropriate, floor insulation as well as sealing all exterior walls. HVAC units that are replaced or installed shall be Energy Star rated and have a SEER rating of at least 14. Where feasible and cost effective, all rehabilitation and new construction work shall include the installation of water-efficient toilets, showers and faucets.
- V. **Describe efforts to meet the 20% Special Needs set-aside:** Hernando County staff has and continues to work with social services agencies serving the designated special needs populations to achieve the goal of the special needs set-aside. The goal will be met through the utilization of all strategies.
- W. **Describe efforts to reduce homelessness:** Hernando County staff has and continues to work with agencies (including Hernando County School District and the Mid-Florida Homeless Coalition) serving the homeless populations primarily through rental assistance to place these individuals or families in rental or transitional housing for the purpose of providing a stable housing situation.

II. HOUSING STRATEGIES:

A. Purchase Assistance With or Without Rehab	Code: 1, 2
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a. Summary: The purchase assistance strategy provides qualified individuals/families with down payment, closing cost and renovation assistance. Renovation assistance may be used to bring the home up to current building code and/or health codes, standards and/or expand the living area of the home.

- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum Award: \$70,000

Down Payment Assistance Only (Without Rehab)	
<i>Income Level</i>	<i>Maximum Award</i>
Very Low Income	\$50,000
Low Income	\$30,000
Moderate Income	\$10,000



Down Payment Assistance With Rehab	
<i>Income Level</i>	<i>Maximum Award</i>
Very Low Income	\$70,000
Low Income	\$40,000
Moderate Income	Not Eligible

- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a recorded Mortgage and Note.
 2. Interest Rate: 0%
 3. Years in loan term: 20 years
 4. Forgiveness: Forgiven in whole at the end of the term.
 5. Repayment: None required as long as the loan is in good standing.
 6. Default:
 - (a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner's primary residence.
 - (b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.
- f. Recipient/Tenant Selection Criteria: The applications will be numbered in the order received. Hernando County will process prospective applicants who submit their pre-qualifying, pre-approval, or approval letters from their mortgage lenders on a first-qualified, first-served basis. Should more names be submitted than the funding can support, a waiting list will be established.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information:
1. Applicant must be a Hernando County resident or work in Hernando County.
 2. Applicants must not have liquid assets of more than \$30,000 at time of application.
 3. If a waiting list is established or requirements of the program must be met, very low- and low-income, special needs, essential service personnel, and elderly applicants will receive priority



in funding.

4. Sales price must not exceed \$350,000.
5. Homebuyers must secure a fixed-rate first mortgage from a lender.
6. No cash can be given to the buyer at closing.
7. Manufactured or mobile homes are not allowed under this strategy.
8. Homes must not be located in a flood hazard zone.
9. A certificate of completion for homeownership counseling is required prior to loan closing.

B. Owner Occupied Rehabilitation	Code: 3
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a. Summary: This strategy allows for extensive and substantive repair to individual units including but not limited to, correcting housing and building code violations, providing cost-effective energy conserving features, make the dwelling accessible to disabled and elderly occupants, correct health and/or safety violations that may be present and demolition and rebuild where appropriate.

- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$70,000
- e. Terms:
 1. Repayment loan/deferred loan/grant: Grant or Deferred Loan secured by a recorded Mortgage and Note.
 2. Interest Rate:
 - (a) Grant: N/A
 - (b) Deferred Loan: 0%
 3. Years in loan term:
 - (a) Grant: N/A
 - (b) Deferred Loan:

Amount of Assistance	Loan Term/Affordability Period
Up to \$10,000	Grant for ELI and VLI
Up to \$10,000	5 Years for Low Income and Moderate Income
\$10,001 - \$25,000	10 Years
\$25,001 - \$50,000	15 Years
\$50,001 - \$70,000	20 Years



4. Forgiveness: Loans up to \$10,000 will be forgiven at the end of the term, while loans exceeding that amount will be forgiven on a prorated basis as follows:
 - 20% per year beginning in Year 6 for loans \$10,001 - \$25,000;
 - 20% per year beginning in Year 11 for loans \$25,001 up to \$50,000; and
 - 20% per year beginning in Year 16 for loans \$50,001 - \$70,000.
5. Repayment: None required as long as the loan is in good standing.
6. Default:
 - (a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner's primary residence.
 - (b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.
- f. Recipient/Tenant Selection Criteria: The applications will be numbered in the order received; assistance will be provided on a first-qualified, first-served basis with priority given to Very Low Income and Special Needs households. Should more applications be submitted than the funding can support, a waiting list will be established.
- g. Sponsor Selection Criteria: N/A
- h. Additional information:
 1. Must be a primary residence, homestead property.
 2. Must be the primary residence, homestead property for two (2) years at time of application.
 3. Must be current on property taxes, county utility accounts, and have no Court, State or Federal tax liens against the property.
 4. Applicants cannot have more than \$30,000 in liquid assets.
 5. Property insurance and existing mortgage must be current. The Department Director may make exceptions on a case-by-case basis.
 6. Home must not be up for sale or in the process of foreclosure.
 7. Manufactured homes are eligible if constructed after June 1994 and classified as real property. Assistance to manufactured homes is limited to no more than 10% of each program year's SHIP



allocation. Homeowners must own the lot/parcel where the manufactured home is installed or where special needs modifications will be made.

8. Relocation assistance may be provided if the homeowner is required to relocate due to the work being completed on the home, limited to \$1,500 and included within maximum award. Receipts will be required for this reimbursement.

C. Disaster Assistance	Code: 5, 16
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a. Summary: The Disaster Strategy provides assistance to households following a disaster as declared by Executive Order of the President of the United States or the Governor of the State of Florida. This strategy will only be implemented in the event of a disaster using any funds that have not yet been encumbered or additional disaster funds issued by Florida Housing Finance Corporation. SHIP disaster funds may be used for items such as, but not limited to:

1. Purchase of emergency supplies for eligible households to weatherproof damaged homes.
2. Interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable.
3. Construction of wells or repair of existing wells where public water is not available.
4. Payment of insurance deductibles for rehabilitation of homes covered under homeowner's insurance policies.
5. Temporary rental assistance for rented households that have experienced temporary financial hardship that results in missed rental payments and are in danger of being evicted.
6. A self-certification streamlined verification of income, assets, etc. may be used in determining household eligibility.

b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029

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

d. Maximum Award: \$15,000
Maximum Rental Assistance: \$6,000

e. Terms:

1. Repayment loan/deferred loan/grant: Grant or Deferred Loan secured by a recorded Mortgage and Note.

2. Interest Rate:

- (a) Grant: N/A
- (b) Deferred Loan: 0%



3. Years in loan term:

- (a) Grant: N/A
- (b) Deferred Loan:

Amount of Assistance	Loan Term/Affordability Period
Up to \$10,000	Grant for ELI and VLI
Up to \$10,000	5 Years for Low Income and Moderate Income
\$10,001 - \$15,000	10 Years

4. Forgiveness: Forgiven in whole at the end of term.

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

6. Default:

(a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner's primary residence.

(b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.

f. Recipient/Tenant Selection Criteria: Assistance will be provided on a first-qualified, first-served basis.

g. Sponsor Selection Criteria: N/A

h. Additional Information:

1. Must be the primary residence.
2. Must be current on property taxes, county utility accounts, and have no County, State, or Federal tax liens against the home.
3. Home must not be up for sale or in the process of foreclosure.
4. Manufactured homes are eligible if constructed after June 1994 and classified as real property. Assistance to manufactured homes is limited to no more than 10% of each Program Year's SHIP allocation. Homeowners must own the lot/parcel where the manufactured home is installed or where special needs modifications will be made.



D. Special Needs Housing

Code: 11

- a. Summary: Assist local non-profit agencies in developing special needs housing for eligible clients through acquisition, rehabilitation, and/or new construction of suitable units. Special needs groups are defined by Florida Statute 420.0004(13). Operational costs after initial acquisition shall be the responsibility of the sponsoring agency.
- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$75,000 per unit
- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a recorded Mortgage and Note and Land Use Restriction Agreement (LURA).
 2. Interest Rate: 0%
 3. Years in loan term: 20 Years
 4. Forgiveness: Forgiven in whole at the end of the term.
 5. Repayment: None required as long as the loan is in good standing.
 6. Default: The loan or LURA will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the property is no longer used as Special Needs Housing; any part of the property or any interest in it is sold, transferred, gifted, or otherwise conveyed by voluntary or involuntary act or by operation of law; the mortgagor is divested or title by judicial sale, levy, or other proceeding; or a foreclosure action is instituted against the property.
- f. Recipient/Tenant Selection Criteria: Assistance will be provided on a first-qualified, first-served basis. Properties secured through this strategy shall be limited to occupancy by persons or families who have special needs. Sponsor agency/agencies shall provide income, occupancy, and case management documentation to the SHIP Administrator at least annually.
- g. Sponsor /Sub-recipient Selection Criteria:
1. Sponsor/Sub-recipient must show the capacity and experience in building, financing, and developing affordable housing, and the capability to work with homebuyers and the Program.
 2. Sponsor/Sub-recipient must provide proof of current active 501(c)(3) status.
 3. Sponsor/Sub-recipient must provide three (3) years of financial records to show financial stability.



4. Sponsor/Sub-recipient must show the ability to obtain financing through lenders or the ability to generate donations and/or grant funding.
 5. Affordability of homes being built or rehabilitated.
- h. Additional Information:
1. Loans will be secured by a subordinate.
 2. Land Use Restriction Agreement (LURA) is required to be executed, recorded, and maintained in full force and effect to secure this loan.

E. Emergency Repairs	Code: 6
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a. Summary: The emergency repair strategy provides assistance to qualified homeowners to make needed repairs on homestead property for families facing immediate emergencies to the home including but not limited to damaged roof or windows, electrical hazards, unsanitary or hazardous septic, replacement of a hazardous unsafe or unsanitary well, major plumbing leak causing damage or deterioration of home, replacement of non-functioning HVAC, handicap accessibility.

- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$25,000
- e. Terms:
 1. Repayment loan/deferred loan/grant: Grant or Deferred Loan secured by a recorded Mortgage and Note.
 2. Interest Rate:
 - (a) Grant: N/A
 - (b) Deferred Loan: 0%
 3. Years in loan term:
 - (a) Grant: N/A
 - (b) Deferred Loan:

<i>Amount of Assistance</i>	<i>Loan Term/Affordability Period</i>
Up to \$15,000	Grant for ELI and VLI
Up to \$15,000	5 Years for Low Income and Moderate Income
\$15,001 - \$25,000	10 Years



4. Forgiveness: Forgiven in whole at the end of the term.
5. Repayment: None required as long as the loan is in good standing.
6. Default:
 - (a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner's primary residence.
 - (b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.
- f. Recipient/Tenant Selection Criteria: Applicants/Recipients will be selected on a first-qualified, first-served basis.
- g. Sponsor/Sub-recipient Selection Criteria: N/A
- h. Additional Information:
 1. Must be the primary residence, homestead property for two (2) years at time of application.
 2. Applicants cannot have more than \$30,000 in liquid assets.
 3. Must be current on property taxes, county utility accounts, and have no County, State or Federal tax liens against the property.
 4. Home must not be up for sale or in the process of foreclosure.
 5. Manufactured homes are eligible if constructed after June 1994 and classified as real property. Assistance to manufactured homes is limited to no more than 10% of each program year's SHIP allocation. Homeowners must own the lot/parcel where the manufactured home is installed or where special needs modifications will be made.
 6. Applicants must allow the rehabilitation specialist access to the home for inspection to determine emergency repairs.
 7. Can be provided to homeowners that cannot obtain homeowners insurance due to the condition of the home.

F. Multi-Family Affordable Housing	Code: 14, 21
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a. Summary: This strategy may provide SHIP funding as the local contribution for the construction or rehabilitation of multi-family rental housing units in connection with Florida Housing Finance Corporation (FHFC) multi-family development programs. The funds may be used to pay impact



fees, application cost for other financing sources, pre-development, or development cost, and/or actual construction cost as may be otherwise allowed under the SHIP program. Program regulations require that awards apply to eligible units occupied by eligible recipients assisted with program timelines.

- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029
- c. Income Categories to be served: Very low, low, and moderate
- d. Maximum award: \$340,000 per development of 75 units or more with at least 20 units for VLI and 10 units ELI; and \$150,000 for developments of less than 75 units with at least 10 units for VLI and 8 units ELI.
- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Deferred Loan secured by recorded Mortgage and Note and a Land Use Restriction Agreement (LURA).
 - 2. Interest Rate: 0%
 - 3. Years in loan term: 20 years
 - 4. Forgiveness: Forgiven in whole at the end of the term
 - 5. Repayment: None required as long as the loan is in good standing
 - 6. Default: Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur with respect to the property for affordable housing: the owner sells or transfers the property; the property is foreclosed upon; or the owner voluntarily or involuntarily discontinues use of the property for affordable housing.
- f. Recipient/Selection Criteria: A sponsor's designated management company will select and place eligible households into SHIP assisted units on a first-qualified, first-served basis.
- g. Sponsor Selection Criteria: Hernando County will allow qualified Applicant/Developers to submit applications for multifamily affordable housing on a first-qualified, first-served basis. The applications will be numbered in the order received subject to availability of multi-family funds. To be deemed qualified, Applicants/Developers must demonstrate that the proposed development is economically and technically feasible, and that all permits can reasonably be expected to be obtained. Other selection criteria include design and curb appeal, tenant services offered, experience of the developer in financing and construction of affordable rental developments. Developer selection will be based on award of funding by the Florida Housing Finance Corporation. Preference will be given to eligible sponsors that first preserve or redevelop existing public or affordable housing units/properties and second provide employment opportunities pursuant to the Welfare Transition Program.



Additional Information:

1. Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring SHIP rental units.
2. SHIP-assisted rental housing offered for sale prior to the end of the 20-year affordability period must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible residents, per 420.9075(5)(g), F.S.

G. New Construction and Acquisition/Rehabilitation	Code: 9, 10
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<p>a. Summary: SHIP funds may be awarded to a Sponsor/Developer to build homes and/or acquire existing homes to rehabilitate for the purpose of increasing or improving the affordable housing stock. Funds can be used for infill housing or part of a larger development to alleviate costs associated with construction cost, land acquisition, infrastructure, development cost, fees and permits. Funds awarded to the Sponsor/Developer will be passed on to the eligible buyer to reduce the sale price of the home dollar-for-dollar. The sale price will be calculated based on the appraised value minus the amount awarded.</p>
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- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029
- c. Income Categories to be served: Very low and low
- d. Maximum award: \$40,000 per unit
- e. Terms (Sponsor/Developer):
 1. Repayment loan/deferred loan/grant: Deferred Loan secured by a recorded Mortgage and Note.
 2. Interest Rate: 0%
 3. Years in loan term: 2 ½ Years
 4. Forgiveness: Satisfied, if within thirty (30) months, the unit is constructed and sold to a qualified recipient.
 5. Repayment: None required as long as the loan is in good standing. If within thirty (30) months, the unit is constructed and sold to a qualified recipient, the loan will be satisfied.
 6. Default: The loan will be considered in default and not in good standing if any of the following occur: (1) the Sponsor/Developer does not utilize the funding within thirty (30) months, in which case all funding will be returned to the Hernando County SHIP Program as recaptured funds to be reallocated; (2) the Sponsor/Developer sells the property for more than the appraised value less the construction loan; or (3) the unit is constructed within thirty (30) months, whether in whole or in part, but is not sold to a qualified recipient. In either case for (2) or (3), the outstanding balance of the loan shall become due and payable.



- f. Terms (Eligible Homebuyer):
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a recorded Mortgage and Note.
 2. Interest Rate: 0%
 3. Years in loan term: 20 Years
 4. Forgiveness: Forgiven in whole at the end of the term.
 5. Repayment: None required as long as the loan is in good standing.
 6. Default:
 - (a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner's primary residence.
 - (b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.
- g. Recipient Selection Criteria:
1. Purchase price must be below \$350,000.
 2. Must complete a HUD approved homebuyer class.
 3. Household income must be at or below 80% AMI.
 4. Homebuyer must be approved by the first-mortgage lender.
- h. Sponsor Selection Criteria:
1. Sponsor/Developer must show the capacity and experience in building, financing, and developing affordable housing, and the capability to work with homebuyers and the program.
 2. Sponsor/Developer must provide three (3) years of audited financial records to show financial stability.
 3. Sponsor/Developer must show the ability to obtain financing through lenders or the ability to generate donations and/or grant funding.
- i. Additional Information: All construction shall address the Green Housing Standards listed under



Program Details section of this plan.

H. Mandatory Septic to Sewer Connections	Code: 8
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a. Summary: Single-family owner-occupied residential units may qualify for financial assistance to offset the costs necessary to connect eligible homeowners to the Hernando County’s central collection system when converting an existing septic system within the program referred as septic to sewer.

b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029

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

d. Maximum award: \$7,500

e. Terms:

1. Repayment loan/deferred loan/grant: Grant or Deferred Loan secured by a recorded Mortgage and Note.

2. Interest Rate:

- (a) Grant: N/A
- (b) Deferred Loan: 0%

3. Years in loan term:

- (a) Grant: N/A
- (b) Deferred Loan:

<i>Amount of Assistance</i>	<i>Loan Term/Affordability Period</i>
Up to \$7,500	Grant for ELI and VLI
Up to \$7,500	5 Years for Low Income

4. Forgiveness: Forgiven in whole at the end of the term.

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

6. Default:

- (a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner’s primary residence.



- (b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.

- f. Recipient/Tenant Selection Criteria: Applicants/Recipients will be selected on a first-qualified, first-served basis.

- g. Sponsor/Sub-recipient Selection Criteria: N/A

- h. Additional Information:
 - 1. Must be a primary residence.
 - 2. Must be current on property taxes, county utility accounts, and have no County, State or Federal tax liens against the property.
 - 3. Home must not be up for sale or in the process of foreclosure.
 - 4. Manufactured homes are eligible if constructed after June 1994 and classified as real property.
 - 5. Applicants cannot have more than \$30,000 in liquid assets.

I. Demolition/Reconstruction	Code: 4
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<p>a. Summary: The demolition/reconstruction strategy is designed to assist owner-occupied residential properties beyond repair and unsafe for habitation. Home will be demolished, and the structure will be reconstructed on the same site. The property must meet the definition of an unsafe structure and the building department, in cooperation with housing staff, shall determine the economic feasibility of the rehabilitation exceeding 65% of the home's market value as defined by Hernando County Property Appraised Value, and soundness of the structure to determine if a replacement home is financially feasible and necessary.</p>

- b. Fiscal Years Covered: 2026-2027, 2027-2028, 2028-2029

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

- d. Maximum award: \$125,000

- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Grant or Deferred Loan secured by a recorded Mortgage and Note.



2. Interest Rate:
 - (a) Grant: N/A
 - (b) Deferred Loan: 0%
 3. Years in loan term:
 - (a) Grant: N/A
 - (b) Deferred Loan: 30 Years
 4. Forgiveness: Forgiven in whole at the end of the term.
 5. Repayment: None required as long as the loan is in good standing.
 6. Default:
 - (a) Loans will be considered in default and not in good standing, and the outstanding balance shall become due and payable if any of the following occur: the home is sold, transferred, or foreclosed upon; the home is no longer occupied by the homeowner; the home loses its homestead exemption status; or the home ceases to be the homeowner's primary residence.
 - (b) If the homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP-eligible heir who will occupy the home as their primary residence. If the legal heir is not SHIP-eligible or chooses not to occupy the home, the outstanding balance of the loan shall become due and payable.
- f. Recipient/Tenant Selection Criteria:
1. Residents cannot directly apply for this program. Housing staff will review potential owner-occupied rehabilitation projects to determine if the unit would need to be moved to this strategy and will be limited to two (2) homes per program year based on funding availability.
 2. Priority will be given to special needs, veterans and extremely low- and very low- income households.
 3. Homeowners may apply for a primary mortgage to cover the remaining cost of reconstruction beyond the maximum SHIP award amount.
- g. Sponsor Selection Criteria: N/A
- h. Additional information:
1. Must be primary residence, homestead property.
 2. Must be the primary residence, homestead property for five (5) years at time of application.



3. Must be current on property taxes, county utility accounts, and have no Court, State or Federal tax liens against property.
4. Home must not be up for sale or in the process of foreclosure.
5. Homeowner must maintain homeowners' insurance.
6. Applicants cannot have more than \$30,000 in liquid assets.
7. Severely substandard determination is made by County staff or the County's representative.
8. Homes with an existing primary mortgage will not qualify.
9. Mobile homes are eligible for replacement with a manufactured home as determined by the County.
10. Eligible units will be replaced with a site built, structured, or modular home as determined most cost-feasible by County staff or the County's representative.
11. Relocation assistance may be provided due to the work being completed on the home, limited to \$1,500.
12. SHIP funding may be used alone or in conjunction with other funding sources.
13. Homes previously assisted with CDBG or SHIP Owner-Occupied Rehabilitation are not eligible.

III. 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: The contractor indicates on the building permit application form the project is for Affordable Housing; the Building Department will confirm with HSS staff that it is indeed an Affordable Housing project; and the Building Department staff will review the application with an expedited timeline.

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: County staff monitor changes to local policies, ordinances, regulations and plan provisions that may increase the cost of housing. Staff keep



the Affordable Housing Advisory Committee (AHAC) updated to any changes made that may increase these costs. The AHAC reviews these changes annually and makes recommendations to eleven (11) specific affordable housing strategies annually in report to the Florida Housing Finance Corporation.

C. Other Incentive Strategies Adopted: Voluntary Inclusionary Housing Incentive Program

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.