

**INDIAN RIVER COUNTY, FLORIDA**

**M E M O R A N D U M**

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**TO:** Jason E. Brown; County Administrator

**THROUGH:** Phillip J. Matson, AICP; Community Development Director

**FROM:** Bill Schutt, AICP; Chief, Long-Range Planning

**DATE:** September 27, 2020

**RE:** Consideration of Amendment 1 to Coronavirus Relief Fund (CRF) Agreement with Florida Housing Finance Corporation (FHFC)

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It is requested that the following information be given formal consideration by the Board of County Commissioners (BCC) at its regular meeting of October 6, 2020.

**BACKGROUND**

On August 18, 2020, the BCC approved an agreement with the Florida Housing Finance Corporation (FHFC) for the County to receive \$572,301 from the Coronavirus Relief Fund (CRF); part of the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). The CRF funds are limited to certain housing assistance activities for COVID-19 impacted households. In Indian River County the CRF is being used to provide up to \$1,500 in assistance per month for up to 3 months to homeowners and renters to pay past due mortgage/rent, insurance and taxes for delinquent mortgages, and late fees and charges for the past due mortgages/rent (maximum assistance per household is \$4,500 (\$1,500 x 3)). Only the amount necessary per month, up to \$1,500 per month may be provided to a household.

With the CRF program, homeowners and renters apply to the County for assistance through a web-based application portal. Staff reviews the application(s) to determine if they meet various qualification requirements; including but not limited to loss of income due to COVID-19, household income cannot exceed 80% of Area Median Income, and households cannot have received assistance from other agencies/programs/sources for the same assistance they apply to the county for. If an applicant and his/her application is ultimately determined to be qualified, the county then issues a payment to the mortgage provider (lender/bank) or landlord on behalf of the tenant/homeowner.

The program requires various forms and documentation from both the applicants and the lenders/landlords to ensure compliance with program rules and to establish conditions under which the award(s) is/are made. Those forms must be reviewed for accuracy and staff must coordinate with

both the applicant and the lenders/landlords for corrections. The County has pulled in existing staff to assist with the program and recently hired and is hiring local/area staff through temp employment agencies. Staff time is being paid for by utilizing up to 10% of the overall grant funds allocated by FHFC.

Recently, the Florida Housing Finance Corporation announced a proposed second round allocation for communities through the CRF. To formalize the allocation and acceptance of the allocations, the state sent out proposed grant agreement amendments for review and approval. For Indian River County, the second round allocation is \$300,919. A copy of the proposed grant agreement amendment is attached.

At this time, it is requested that the BCC review and consider the proposed First Amendment to the agreement with the state.

## **ANALYSIS**

### **First Amendment to Agreement with FHFC**

The proposed First Amendment to the grant agreement with the FHFC would increase the County's total allocation to \$873,220 (\$572,301 original allocation + \$300,919 proposed second allocation). Consistent with CARES Act requirements, both allocations from the state must be spent by no later than December 30, 2020. Out of the total \$873,220 in CRFs, up to 10% of actual funds spent (maximum of \$87,322) may be utilized to cover grant administration expenses. Spending the maximum of 10% on grant administration would leave \$785,898 available for renters/homeowners. If every applicant household were to be awarded the County's maximum housing assistance award of \$4,500 (\$1,500 per month x 3 months), the County could assist approximately 175 households.

With the quick time frame in which this new program was developed, the state has found that there is a need to also amend the County's agreement to incorporate rules and revisions that are being made through technical bulletins issued and posted to the Florida Housing website. As stated in the proposed amendment, the technical bulletins are used to clarify, discuss, interpret, and provide guidance for contract administration issues related to the grant agreement. One of those technical bulletins were issued to provide guidance on alternative methods of advertising the program.

The proposed amendment also makes reference to the possibility of additional funding from the state provided satisfactory progress is made with spending the first and second round allocations. Potential additional funding beyond the second round of funding was not referenced in the County's original grant agreement. Should the State allocate additional funding, it is anticipated that a second amendment to the grant agreement will be needed.

## **FUNDING**

The proposed program will be funded through the grant agreement with the FHFC. No additional funding is proposed.

## **ALTERNATIVES**

With respect to the proposed First Amendment to the FHFC Agreement, the Board of County Commissioners has two alternatives. These are:

1. To approve the amendment to the agreement as proposed; and
2. To reject the proposed amendment to the agreement.

Staff supports alternative 1.

## **RECOMMENDATION**

Staff recommends that the Board of County Commissioners approve the First Amendment to the CRF Agreement with the FHFC.

## **ATTACHMENTS**

- 1.) First Amendment to the Coronavirus Relief Fund (CRF) Agreement with Florida Housing Finance Corporation

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