

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown
County Administrator

THROUGH: Stan Boling, AICP
Community Development Director

FROM: Sasan Rohani, AICP
Chief, Long-Range Planning

DATE: August 2, 2017

SUBJECT: Consideration of the Indian River County SHIP Program 2017 Annual Report

It is requested that the data herein presented be given formal consideration by the Board of County Commissioners at its regular meeting of August 15, 2017.

DESCRIPTION AND CONDITIONS

In the early 1990's, the State Housing Initiatives Partnership (SHIP) Program was created by the State of Florida. Through that program, the state collects documentary stamp tax revenue and allocates those funds to local governments to be used for affordable housing purposes.

On April 6, 1993, the Board of County Commissioners adopted the Indian River County Local Housing Assistance Plan (Ordinance #93-13). By adopting the plan and subsequently receiving Florida Housing Finance Corporation approval of the plan, Indian River County became eligible to receive State Housing Initiatives Partnership (SHIP) Program funds.

The purpose of the SHIP program is to provide affordable housing for income qualified households. As structured, the county's SHIP Program provides low interest, deferred payment, and subordinated loans to eligible extremely low income, very low income, low income, and moderate income households. Those loans are provided primarily for purchase assistance and rehabilitation assistance. As part of the SHIP purchase assistance program, private financial institutions provide principal mortgages, while SHIP loans are generally structured as soft second mortgages.

Since SHIP is a state funded program, the SHIP program fiscal year (FY) is concurrent with the state fiscal year and runs from July 1 to June 30. Because SHIP funds provided in one fiscal year can be spent over a three fiscal year period, the county often has two or more years of SHIP funding active. For example, in the past year the county has expended funds from the following SHIP program fiscal years: FY 14/15, FY 15/16, and FY 16/17.

For each fiscal year (FY), SHIP funds consist of state allocations and program income. Program income consists of SHIP loan repayments and interest earned. Attachment #1 shows historic SHIP fund information. That includes the number of loans provided to eligible applicants by fiscal year and by income category.

According to SHIP Program requirements, the county must submit an annual report for each fiscal year for which SHIP funds were expended. A certification form for those reports must be signed by the Chairman of the Board of County Commissioners or his designee. For all previous fiscal years, closeout reports were previously submitted to and approved by the state. Attached to this staff report are the county's SHIP Program FY 2014-2015, FY 2015-2016, and FY 2016-2017 annual reports (see attachments 2, 3 and 4). FY 2014-2015 is a final closeout annual report. All Fiscal Year annual reports must be submitted to the state by September 15, 2017.

ANALYSIS

According to state regulations, SHIP funds must be utilized in such a manner that all state requirements and all requirements of the county's Local Housing Assistance Program are met. Among the State Housing Initiatives Partnership Program (SHIP) requirements are the following:

- At least 30% of funds must be utilized by very low income (VLI) households
- At least 30% of funds must be utilized by low income (LI) households
- At least 65% of funds must be utilized for homeownership
- At least 75% of funds must be utilized for construction, rehabilitation or emergency repair
- At least 20% of funds must be utilized for disabled applicants or household members
- Not more than 10% of funds may be utilized for administration costs

In administering the SHIP program, the county has met all of those requirements as well as all local requirements for home ownership, credit, employment, assets, and others.

Copies of the attached annual reports have been distributed to members of the county's Affordable Housing Advisory Committee, Affordable Housing Partnership Group, municipalities, and other interested persons for their review and comment. Also, a notice of the availability of the reports was posted on the county website. To date, staff has received no comments.

The purpose of this staff report is to provide the Board of County Commissioners with background information and the attached SHIP annual reports, and to obtain Board authorization for the Chairman to sign the Certification Form for the attached SHIP annual reports (see attachment 5).

FUNDING

The SHIP program is funded by documentary stamp tax revenues collected and distributed by the State.

ALTERNATIVES

The Board of County Commissioners has two alternatives with respect to the attached SHIP Annual Reports. Those are:

- To approve the attached SHIP Annual Reports and authorize the Chairman to sign the attached Certification Form, allowing staff to submit the reports to the Florida Housing Finance Corporation.
- Not to approve the attached SHIP Annual Reports.

Choosing the second alternative, however, would cause the county to become ineligible to receive additional SHIP funds. Staff supports the first alternative.

RECOMMENDATION

Staff recommends that the Board of County Commissioners approve the attached SHIP 2017 annual reports and authorize the Chairman to sign the attached Certification form.

Attachments:

1. SHIP Funds and Applicants Information Summary
2. SHIP Annual Report for FY 2014-2015 (Final Closeout report)
3. SHIP Annual Report for FY 2015-2016 (Interim report)
4. SHIP Annual Report for FY 2016-2017 (Interim report)
5. SHIP Annual Report Certification Form