

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

THROUGH: Phillip J. Matson, AICP
Community Development Director

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

DATE: November 18, 2020

SUBJECT: Consideration of Revised Indian River County Local Housing Assistance Plan for Fiscal Years 2021-2022, 2022-2023, and 2023-2024

It is requested that the following information be given formal consideration by the Board of County Commissioners at its regular meeting of December 1, 2020.

DESCRIPTION AND CONDITIONS

Pursuant to the requirements of Section 420.907, F.S., and Rule 67-37.005, Florida Administrative Code (FAC), the Board of County Commissioners approved the County's first Local Housing Assistance Plan (Ordinance #93-13) on April 6, 1993. Subsequently, the Florida Housing Finance Corporation approved the county's plan and authorized the disbursement of State Housing Initiatives Partnership (SHIP) Program funds.

According to Rule 67-37.005(2), Florida Administrative Code, every three years each local government receiving SHIP funds must submit a new Local Housing Assistance Plan (LHAP) to the Florida Housing Finance Corporation. Accordingly, the County's plan was submitted in 1994, 1997, 2000, 2003, 2006, 2009, 2012, 2015, and 2018.

In 2018, the Board of County Commissioners approved the County's current 3-year plan. The Florida Housing Finance Corporation (FHFC) then approved the county's plan and authorized the disbursement of SHIP funds until June 30, 2021. **By May 2021, the County must submit to FHFC a new 3-year plan for FY 2021-2022, FY 2022-2023, and FY 2022-2024.** This agenda item reviews the proposed new LHAP.

- SHIP Program Activity

Since its initial adoption in 1993, the county's LHAP has been successful in directing assistance to eligible households within the county. The attached table (attachment #1) identifies the county's

SHIP allocations and the number of loans given to eligible applicants by fiscal year and by income category.

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 each fiscal year (FY), SHIP funds consist of state allocations and program income. Program income includes SHIP loan repayments and interest earned. For FY 2020-21, full funding estimated at approximately \$1.6 million was initially approved by both the Legislature, but due to the recent COVID-19 health crisis was eliminated (\$0 state allocation).

ANALYSIS

To meet the Florida Housing Finance Corporation's local housing assistance plan submittal requirements, and to recognize changed conditions; staff, in conjunction with the County's Affordable Housing Advisory Committee (AHAC), prepared a revised LHAP (Attachment 2). The revised plan is a continuation of the county's existing plan with the following changes:

- Increases Rehabilitation Loan cap from \$50,000 to \$60,000.
- Increases Emergency Rehabilitation Loan cap from \$20,000 to \$25,000.
- Increases Purchase Assistance Loan with Rehabilitation Loan cap from \$10,000 to \$12,500.
- Establishes a cap of \$60,000 per housing unit in active SHIP loans (all categories except when disaster funding is necessary).
- Prohibits a household/property from having two active SHIP rehabilitation loans (must wait for first 10 year rehab loan to expire before a new rehab loan may be given). Exception: A household/property may have an active SHIP rehabilitation loan and also obtain a SHIP emergency and/or disaster loan.
- Provides for the County's Loan Review Committee to administratively reduce the per unit and per project award amounts for new construction projects (Federal or State Programs Matching Loans) when there are limited SHIP funds available or allocated from the state.
- Updates to include state required definitions for "Essential Service Personnel" and for "First-time Homebuyer" and general clean-up text edits.
- Edits to clarify the County's existing types of strategies available through the SHIP program and to make the strategy categories more consistent with categories specified by the state.

The proposed revisions to increase loan amounts will help to accommodate labor, materials, and general contractor price increases. Proposed revisions to add a monetary benefit cap and a time period before a homeowner can re-apply for a 2nd rehabilitation loan will allow funds to be distributed to more properties without any one property excessively benefiting.

Affordable Housing Advisory Committee Review

The proposed updated LHAP was reviewed by the County's Affordable Housing Advisory Committee (AHAC) at their regular meetings on August 26, 2020 and October 28, 2020. While the AHAC reviewed proposed revisions at their August meeting and expressed their overall agreement with them; the AHAC felt further analysis/discussion was warranted for the issue of whether or not there should be a restriction to limit the number of SHIP rehab loans a property/household should be awarded and whether there should be a wait period for re-applying for SHIP assistance after a property/household had already been assisted with a rehab loan. The AHAC requested that staff analyze the issue further and bring some options back to the AHAC for consideration at their October 28, 2020 meeting.

At the October 28, 2020 AHAC meeting, staff presented various options and approaches other communities have taken to try to limit the number and amount of rehab assistance loans a specific property/household may receive. The AHAC ultimately agreed that a property should have only one active rehabilitation 10-year loan at a time (with the exception of emergency/disaster rehab loans). The AHAC also engaged in discussion about what constitutes "essential services personnel" as defined by the state and whether or not local priority should be given to assisting essential service personnel with SHIP funds. The AHAC determined that while essential service personnel are important, the overall need for SHIP assistance in the community is far too great to give priority based on occupation, so no changes were made to give priority to essential services personnel.

As drafted, the proposed plan meets all state and local requirements and proposed revisions address changed conditions. Once adopted and approved by the state, the Local Housing Assistance Plan will provide the basic framework and operating procedures, including program strategy qualification requirements and other provisions, for the SHIP program for the next 3 fiscal years. The new plan will also make the county eligible to receive SHIP funds until June 2024.

FUNDING

All SHIP loans are funded from state SHIP allocations and program income. Therefore, no local funds are involved.

RECOMMENDATION

Staff and the AHAC recommend that the BCC approve the new Indian River County Local Housing Assistance Plan by adopting the attached resolution, authorizing the Chairman to sign the certification page, and authorizing staff to make any changes to the LHAP as may be required after review by the state.

ATTACHMENTS

1. SHIP Program Funds and Applicant Income Information Summary
2. Indian River County Local Housing Assistance Plan for FY 2021-2022, FY 2022-2023, and FY 2023-2024
3. Resolution Approving the New Plan
4. Plan's Certification Page

5. Minutes of August 26, 2020 AHAC Meeting
6. Unapproved Minutes of October 28, 2020 AHAC Meeting

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