

## Portion of Approved August 26, 2020 Affordable Housing Advisory Committee Meeting Minutes

Mr. Landers moved to approve the recommendations and schedule the October public hearing before the AHAC. Ms. Moss seconded the motion. The motion passed unanimously.

### **6. Consideration of Revised Indian River County Local Housing Assistance Plan for Fiscal Years 2021-2022, 2022-2023, and 2023- 2024**

Mr. Schutt began the staff report. He noted that this plan corresponds with the AHAC incentive report. He advised that the County's State Housing Initiatives Partnership program (SHIP) established a funding source that has some minimum set aside requirements, such as 65% of funds set aside for home ownership, 75% for construction rehabilitation or emergency repair, 30% for very low income persons and 20% for individuals with special needs. He advised that the County submits these plans every three years and the current plan is in place until June 30, 2021; the County has until May, 2021 to submit next year's plan.

Mr. Schutt advised that the Proposed 2021 County Low Housing Assistance Plan (LHAP) provides assistance to eligible household, including home acquisition, minor and major rehab and emergency rehab. He explained that reviews the application, loans the funds and places a mortgage on the property; if the property owner sells, the funds return as program income. He reported that for Fiscal Year 20-21, \$1.6 million was initially approved by the State; however, the budget was vetoed by the Governor and the County will not receive those funds and it is uncertain as to whether the funds will be allocated in the future.

Mr. Schutt displayed a chart that depicted funding throughout the years and explained that there are some funds remaining to be spent and there is a backlog of applicants seeking rehabilitation funding.

Mr. Schutt stated that staff is suggesting that the AHAC consider modifying the plan. He offered some suggestions: perhaps when repeat applications are received, the County may want to consider that a limitation be placed, such as not being able to apply again for five years after expiration of a ten year rehab loan; separating the levels for purchase assistance for clarity; providing clarification of the years for loan forgiveness; and while the current LHAP includes funding levels to assist developers of low income housing projects, the amounts need to be clarified in order to not exhaust all funding for one project. Mr. Schutt also suggested increasing the emergency repair loans from \$20,000 to \$25,000.

Mr. Schutt asked the Committee to consider the LHAP and provide input, with the final review to be held at the October meeting. He explained the document would then be transmitted to the BCC for approval.

Chairwoman Price asked, with regard to re-applying for loans, how the County tracks the time for loan forgiveness, particularly with regard to repeat applications. Mr. Schutt replied that the time frame is included in the mortgage documents. Chairwoman Price suggested increasing the time frame for re-application to ten years (currently five years), as more individuals would be able to apply for new loans if funds weren't exhausted due to repeat applicants.

Mr. Gilliams asked if repeat applicants have caused difficulties in the past. Mr. Schutt stated that there is a maximum threshold that an applicant can seek. He explained that a roof leak or broken air conditioning unit may constitute an emergency, and the time frame would not apply; however, if someone uses \$40,000 on major rehabilitation on their home, they can return for more funds while new applicants are waiting.

Ms. Kendall stated that the mortgage lender may not allow additional liens on a property regardless. Mr. Schutt explained that the County loan is often a second or third position loan. Mr. Gilliam added that the first lender would be pleased that someone is improving their property, as it increases the value.

Chairwoman Price asked if someone would be able to be provided various types of loans. Mr. Schutt stated that it is possible. Chairwoman Price suggested that a cap should be considered – with a property owner only being permitted to have one type of loan. Mr. Schutt suggested that emergency rehabilitation loans (only \$10,000) should be exempt from the cap. Mr. Landers stated that disaster loans should also be exempt.

Mr. Myers asked if there is evidence that homeowners are abusing this program. He suggested that the process is first come-first served and the County should be encouraging people to improve their homes. Chairwoman Price stated that she was aware of a homeowner that received a rehab loan and then when the money was spent, they wanted additional funding. She stated that Habitat provided the original loan to build the house, then received rehab loans, and then wanted more funds.

Mr. Myers remarked that if someone qualifies for the assistance, the County should not try to hinder the homeowner. Chairwoman Price remarked that there are others in need; perhaps priority should be given to someone who has not received funds in the past. She stated that if someone has already received \$50,000, she believes that waiting ten years until they are provided another \$50,000 is reasonable. Mr. Myers stated that holding funds until someone comes along does not seem appropriate. Chairwoman Price asserted that there is a long waiting list for people who are need assistance.

Mr. Landers asked how someone is able to move up on the waiting list. Mr. Schutt stated that there are various factors that provide priority, such as a medical disability, very-low income, etc.

Chairwoman Price asked Mr. Schutt to return with options for providing a cap.

Mr. Gilliams moved to have Mr. Schutt return to the AHAC with options and a revised draft plan. Seconded by Chairwoman Price. All voted in favor.

## **7. Update on CARES funding**

Mr. Schutt provided an update regarding the funds to be provided through the Coronavirus Aid, Relief, and Economic Security (CARES) funding. He explained that the BCC has approved an agreement for approximately \$500,000 in funding to assist those negatively economically impacted by the coronavirus. He stated that homeowners impacted as of March 1<sup>st</sup> can submit applications to request funding for rent and mortgage payments for up to three months (up to \$1,500 per month). He advised that the County would make payments to the lender or landlord under an agreement that foreclosure action and eviction process would not begin while the County is providing payment. Mr. Schutt explained that only those that can show hardship due to Covid-19 would be eligible. He stated that the information will be provided via the County's website in the near future.

Ms. Kendall asked how much funding is available. Mr. Schutt replied that \$572,000 has been received for the first round of funding and there could be a possible second round of approximately \$200,000 to \$300,000.