

## INDIAN RIVER COUNTY, FLORIDA

### MEMORANDUM

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

**THROUGH:** Stan Boling, AICP, Community Development Director

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

**DATE:** March 30, 2017

**SUBJECT:** Consideration of Continuing Participation with St. Lucie County and Martin County in the Treasure Coast Home Program Consortium

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It is requested that the data herein presented be given formal consideration by the Board of County Commissioners at its regular meeting of April 4, 2017.

#### **BACKGROUND**

Indian River County has programs, policies, requirements, and practices in place that further fair housing and provide for affordable housing throughout the county. Currently, Indian River County provides affordable housing to very low, low, and moderate income households through several different affordable housing programs. Those programs include:

- Housing Choice Voucher (formerly known as Section 8) and VASH Voucher Rental Assistance [HUD funded, ongoing \$1.9 million annually]
- State Housing Initiative Partnership Program (SHIP; state-funded, ongoing)
- Community Development Block Grant (CDBG) Housing Rehabilitation Program [HUD funded, project specific]
- HOME Again Program [related to recovery from 2004 storms; HUD funded]
- Hurricane Housing Recovery (HHR) Program [related to recovery from 2004 storms; HUD funded]
- Treasure Coast Home Investment Partnership Program Consortium [managed by St. Lucie County; HUD funded, renewable/ongoing]

Currently, the **Section 8** rental assistance program serves 345 extremely low, very low, and low income households (including elderly citizens) and the **VASH Voucher** rental assistance program serves 38 veterans who were previously homeless. Of the six programs listed above, the **SHIP** program is the only program through which the county receives an annual fund allocation from the state; it is not HUD funded. Over the years, SHIP funding has varied (see attachment #4) but

is currently funded at roughly \$700,000 to \$916,000 per year. Since its inception in 1992, over 1,206 income eligible households in owner occupied dwellings received SHIP assistance to buy a house or to rehabilitate their existing home.

Unlike the Section 8, VASH Voucher, and SHIP programs which are on-going and annually funded, the **CDBG** program is a competitive “project by project” program, and the county must compete with other jurisdictions that apply for CDBG funding. As noted above, the Home Again and HHR programs were one time programs related to recovery from the 2004 hurricanes. Another competitive program used by applicant-developers and sometimes supported by the County (via a modest SHIP allocation of \$20,000) is the Low Income Housing Tax Credit (LIHTC) program. To date, 21 projects providing 2,573 affordable multi-family units and 61 single family units have been provided in Indian River County through the LIHTC program. The LIHTC program is managed by HUD and developers must sign contracts with HUD but the County does not have any obligations to HUD with respect to the LIHTC program.

Although the **HOME Investment Partnership** program is competitive for individual small jurisdictions, large counties get entitlement funding from the HOME program. Smaller counties can also become entitlement communities if several join together and establish a HOME consortium. By being part of a consortium, a smaller county such as Indian River County does not need to compete with other applicants for HOME funds. Currently, Indian River County is part of a HOME consortium with Martin and St. Lucie Counties. Consequently, as long as Indian River County is part of a consortium with St. Lucie County and Martin County, the county will receive HOME funds each year.

In order to receive the HOME funds from HUD the Indian River County Board of County Commissioners (BCC) passed Resolution No. 2006-057 and authorized execution of the Treasure Coast HOME Consortium agreement. Later, on August 8, 2007, Indian River County entered into an agreement with Martin and St. Lucie Counties to form the Treasure Coast HOME Consortium (attachment # 1). St. Lucie County is the lead agency for the Treasure Coast HOME Consortium; it receives all HOME funds, processes all applications, and disburses all HOME funds. As structured, St. Lucie County retains all program administration funds to fund its cost of running the program. Since forming the Treasure Coast HOME Consortium, 47 households within Indian River County have been assisted with \$827,292 in HOME funds. Currently, Indian River County receives about \$85,000 of HOME funds per year. Within Indian River County, HOME funds are used by Habitat for Humanity’s clients to assist with down payment/closing costs. The Consortium’s current contract with HUD expires in 2018.

Recently, St Lucie County notified the County that the consortium is now in the 5<sup>th</sup> year of its second (five year) cycle. In order to continue to receive funding beyond the 2018 expiration, St. Lucie County on behalf of the Consortium must prepare a new five year Consolidated Plan and submit the First Year Action Plan to HUD by August 15, 2017. According to St Lucie County staff, HUD has changed the requirements for preparing the Consolidated Plan by increasing outreach efforts and the number of public meetings required. To meet its obligations as the consortium lead agency, St. Lucie County needs to conduct outreach and work on a new plan now.

Based on the Board’s recent directive to scrutinize obligations involving HUD’s 2015 Affirmatively Furthering Fair Housing (AFFH) policy, staff asked St. Lucie County if the 2015

AFFH policy requirement is part of the upcoming grant contract with HUD. In response, St. Lucie County staff confirmed that the 2015 AFFH policy (see HUD fact sheet, attachment #2) applies to all HUD funds including HOME funds and that any recipient of funds under the new consolidated plan will be subject to the 2015 AFFH policy. Attachment #3 is the Florida Housing Coalition report regarding AFFH and local land use authority.

Per the Board's previous discussion and concerns regarding the 2015 AFFH policy, staff is requesting that the Board consider whether or not it wants to continue with the Treasure Coast HOME Consortium beyond the current 2018 expiration. Staff will notify St. Lucie County of the Board's decision.

## **ANALYSIS**

Indian River County's share of Treasure Coast HOME Consortium funds has been used for deferred payment fifteen year loans to Habitat for Humanity's (HFH) clients. The funds have been used for very low and low income households within the county. St. Lucie County has used 10% of the HOME consortium funds for administrative purposes and, in accordance with the partnership agreement is the "...lead entity having overall responsibility for ensuring the Consortium's HOME Program is carried out in compliance with the HOME Program". For Indian River County, there is a minimum amount of staff time required to process HOME applications since St. Lucie County is doing all application intake, processing, closing, and disbursement of funds. Consequently, there has been essentially no cost to Indian River County for consortium generated funds of approximately \$85,000 each year. As structured, the Treasure Coast HOME consortium is beneficial to the county by providing additional funds on a regular basis to assist very low and low income households with their affordable housing needs.

Under section 7 of the existing partnership agreement, the participating counties certify that each "... will cooperate with the other to undertake or aid in undertaking housing assistance activities for the Home Investments Partnership Program and that each will affirmatively further fair housing." Although IRC staff has no direct experience in administering the consortium program and in preparing the consortium consolidated plan, staff is aware of the consolidated plans generally which include data, assessments, analysis, and goals and objectives. An excerpt from St. Lucie County's HOME Consortium Consolidated Plan for 2012-2017 is included as a reference. As an additional resource, St. Lucie County staff have been invited to the April 4<sup>th</sup> BCC meeting to answer questions about the consortium and HUD obligations.

Staff recognizes the concerns expressed about HUD's 2015 AFFH policy and the potential risk of "federal over-reach" into local land use and zoning issues. At this point in time, staff has no way of quantifying that risk. However, staff also recognizes the tangible benefits of participating in the consortium and current ability to comply with St. Lucie County and HUD requirements. Given the consortium benefits and past and present constructive working relationship with HUD at the local level, especially with respect to the rental assistance programs, Community Development is in favor of Indian River County continuing its participation in the Treasure Coast HOME Consortium beyond the 2018 expiration date.

## **ALTERNATIVES**

The Board of County Commissioners has two alternatives regarding future participation in the Treasure Coast HOME Consortium. Those alternatives are:

1. Not to continue with the Consortium after the 2018 expiration
2. Continue with the Consortium after the 2018 expiration, under the same structure as the current agreement

Community Development staff supports alternative number 2.

## **FUNDING**

HUD provides funds from the HOME Investment Partnership Act Program. No local funds are required to participate in the consortium.

## **RECOMMENDATION**

Based on the analysis performed, staff recommends that the Board of County Commissioners determine whether or not to continue with the Treasure Coast HOME Consortium after the current consortium contract ends in 2018.

## **Attachments:**

1. Copy of the original interlocal agreement covering HUD HOME Investment Partnership Act Program Consortium including a copy of the Resolution of support.
2. HUD Handout on AFFH
3. Florida Housing Coalition Report on AFFH and Local Land Use Authority
4. SHIP Program Loans Summary
5. Excerpt from St. Lucie County HOME Consortium Consolidated Plan for 2012-2017