

## INDIAN RIVER COUNTY, FLORIDA

### MEMORANDUM

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**TO:** Board of County Commissioners

**THROUGH:** John A. Titkanich, Jr., County Administrator

**THROUGH:** Cindy Emerson, Community Services Director

**PREPARED BY:** Siphi Chinyanganya, SHIP Administrator

**DATE:** December 17, 2024

**SUBJECT:** Consideration of the Indian River County SHIP Program 2024 Annual Report

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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 December 17, 2024.

#### **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 year: FY 21/22 and is set to encumber funds from FY 22/23 and FY 23/24.

For each FY, SHIP funds consist of state allocations (unless funds are withheld or swept to fund other state purposes) 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 the closeout fiscal year (FY21/22) showing that all allocated SHIP funds were expended for that FY. That report must also include interim year data for interim year 1 (FY 22/23). The County was given an extension to December 31, 2024 to expend the FY21/22 funds and to encumber FY 22/23 due to having had SHARP funds in addition to the SHIP funds. The Annual Report will be resubmitted on December 31, 2024 once all funds for the closeout year have been expended. A certification form for the report 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. Attachment #2 to this staff report is the county's SHIP Program FY 2021-2022 annual closeout report.

## **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 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 special needs applicants or household members
- Not more than 10% of state allocated and 5% of program income 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.

The purpose of this staff report is to provide the Board of County Commissioners with background information and the attached SHIP annual report, and to obtain Board authorization for the Chairman to sign the Certification Form for the attached SHIP annual report (see attachment #3).

## **RECOMMENDATION**

Staff recommends that the Board of County Commissioners:

1. approve the attached SHIP 2024 annual report and authorize its formal submission to the Florida Housing Finance Corporation after any necessary changes are made; and
2. authorize the Chairman to sign the attached Certification form; and
3. authorize staff to make any minor reporting changes to the annual report and Certification form that may be requested by the Florida Housing Finance Corporation.

**Attachments:**

1. SHIP Funds and Applicants Information Summary
2. Draft SHIP Annual Closeout Report for FY 2021-2022
3. SHIP Annual Report Certification Form

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