



## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Lisa Morrell, City Manager

**REQUESTING DIRECTOR:** Joan Junkala-Brown, Community & Economic Development

**DATE:** May 21, 2020

**RE:** SHIP Local Housing Assistance Plan 2020-2023

### SUMMARY:

The State Housing Initiative Partnership (SHIP) as described in Part VII, Florida Statutes, requires that the City adopt a Local Housing Assistance Plan (LHAP) every three (3) years. The Plan provides for a concise description of local housing assistance strategies adopted by the local governing board to include programs relating to housing construction, rehabilitation, repair, or other finance programs identified to be a housing need of the local jurisdiction.

The City is currently in its third and final year of the LHAP for fiscal years 2017-2018, 2018-2019, and 2019-2020. The following is a brief description of eligible housing assistance strategies as described in the proposed LHAP for fiscal years 2020-2021, 2021-2022, 2022-2023.

**Staff is recommending the following SHIP Strategies: Purchase Assistance with Rehabilitation, Owner-Occupied Rehabilitation, Demolition/Reconstruction Strategy, Emergency Repair, Utility Hook-Up Assistance, Disaster Assistance, and New Construction for rental units.**

#### Purchase Assistance with Rehabilitation

~~Provides for a maximum of \$30,000 to very low-, low-, and moderate-income residents to assist homebuyers with the purchase of a home by providing down payment assistance and/or closing cost assistance to ensure affordable first mortgage loan payments. The terms include a 30-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-thirtieth (1/30<sup>th</sup>) per year. Recipients must own and occupy the property as their primary residence during the 30-year mortgage term. Recipients who default will be required to pay the pro-rated balance at time of default.~~

#### Owner-Occupied Rehabilitation

~~Provides for a maximum of \$50,000 to very low-, low-, and moderate-income residents to assist homeowners with eligible repairs as defined by Chapter 67-37, Florida Administrative Code. Rehabilitation is defined as repairs or improvements needed for safety and sanitary habitation,~~

and/or correction of substantial code violations. The terms include a 10-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-tenth ( $1/10^{\text{th}}$ ) per year. Recipients must own and occupy the property as their primary residence during the 10-year mortgage term. Recipients who default will be required to pay the pro-rated balance at time of default.

#### Demolition/Reconstruction Strategy

Provides for a maximum of \$150,000 to very low-income residents only to assist homebuyers with the cost associated with demolition and reconstruction of a substandard housing unit when the home is beyond financial feasibility to repair. The terms include a 20-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-twentieth ( $1/20^{\text{th}}$ ) per year. Recipients must own and occupy the property as their primary residence during the 20-year mortgage term. Recipients who default will be required to pay the pro-rated balance at time of default.

#### Emergency Repair

Provides for a maximum of \$20,000 to very low-, low-, and moderate-income residents to assist owner-occupied households with emergency repairs. The terms include a 5-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-fifth ( $1/5^{\text{th}}$ ) per year. Recipients must own and occupy the property as their primary residence during the 5-year mortgage term. Recipients who default will be required to pay the pro-rated balance at time of default.

#### Special Needs Rehabilitation

Provides for a maximum of \$20,000 to very low-, low-, and moderate-income residents to assist owner-occupied households with repairs related to special needs (as defined in Florida Statute 420.907-909), particularly developmental disabilities which allow the household member with special needs to remain independent in their own home. Repairs and replacement of items shall meet the requirements per Florida Building Codes related to ADA accessibility guidelines. The terms include a 5-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-fifth ( $1/5^{\text{th}}$ ) per year. Recipients must own and occupy the property as their primary residence during the 5-year mortgage term. Recipients who default will be required to pay the pro-rated balance at time of default.

#### Utility Hook-Up Assistance

Provides for a maximum of \$20,000 to extremely low-, very low-, low-, and moderate-income homeowners to assist with connection to water and/or sewer systems. Assistance includes costs necessary to connect to the systems, payment of connection fees, and abandonment of private well and septic systems. The terms include a 5-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-fifth ( $1/5^{\text{th}}$ ) per year. Recipients must own and occupy the property as their primary residence during the 5-year mortgage term. Recipients who default will be required to pay the pro-rated balance at time of default.

#### Disaster Assistance

Provides for a maximum of \$15,000 to very low-, low-, and moderate-income residents to who rent, or own and occupy their principle residence. Assistance shall only be available following a disaster or emergency declared by the President of the United States or Governor of the State of Florida. Eligible use of funds include, but not limited to, purchase of emergency supplies to weatherproof damaged homes; interim repairs to avoid further damage; construction of new or repairs to existing wells where public water is unavailable; payment of insurance deductibles for rehabilitated homes; security deposits for eligible recipients who have been displaced from their homes due to disaster; rental or mortgage and utility assistance. Applicants must provide proof of one-time rent or mortgage and utility payments prior to the declared disaster, to include property taxes and rent or mortgage insurance. All assistance shall be paid directly to landlord, lender or utility provider upon receipt and review of monthly bill. This grant program does not require repayment or a mortgage lien.

#### **New Construction Rental**

Provides for a maximum award of \$25,000 per unit to eligible sponsor organizations for the production of affordable rental housing through partnerships with for-profit affordable housing developers and non-profit sponsor agencies. The construction of new or rehabilitation of existing rental units must serve very low or low-income residents of the City. The terms include a 15-year deferred loan secured by a subordinated mortgage, forgiven by a principal reduction of one-twentieth (1/20<sup>th</sup>) per year. All assisted rental properties must maintain a 15-year affordability period and annual reporting of tenants and their respective income certification during the 15-year period. Rental properties that default will be required to pay the pro-rated balance at time of default.

#### **REQUESTING DEPARTMENTS:**

Community & Economic Development

#### **FISCAL IMPACT:**

There is no fiscal impacted related to this item.

#### **RECOMMENDATION:**

Motion to adopt Resolution to approve the SHIP Local Housing Assistance Plan for fiscal years 2020-2021, 2021-2022, and 2022-2023.

Attachments:

1) SHIP Local Housing Assistance Plan 2020-2023 (available upon request)

2) **Resolution**