



## Legislation Text

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### **SUBJECT/RECOMMENDATION:**

Recommend City Council approval of the Local Housing Assistance Plan (LHAP) for FY2024-2025 through FY2026-2027.

### **SUMMARY:**

Florida Statute 420.9079 requires counties and cities receiving State Housing Initiatives Partnership (SHIP) Program funds to develop a three-year LHAP outlining strategies for how the funds will be utilized.

The city receives annual allocations from the State of Florida through the Florida Housing Finance Corporation (FHFC). The city expends SHIP funds per the strategies outlined in the LHAP. The city's current LHAP covers state fiscal years 2021-2022 through 2023-2024. The state fiscal year begins on July 1 and ends on June 30 annually. Over the term of the current LHAP, the city received SHIP allocations of \$809,837, \$1,127,930, and \$1,365,854; and program income of \$1,042,172, \$741,180, and \$848,439 (through Jan24) for fiscal years 2021-2022, 2022-2023, and 2023-2024 respectively.

The new LHAP will cover state fiscal years 2024-2025 through 2026-2027. The strategies outlined in the new LHAP are a continuation of the city's current LHAP. All changes made within the new LHAP will be retroactive to the current LHAP to enable the use of prior year funds, if available.

The LHAP is comprised of Housing Strategies and Incentive Strategies. The Housing Strategies Include:

- **Purchase Assistance with Rehabilitation:** This program provides funds to developers and community-based non-profit organizations to acquire, rehabilitate and resell single-family housing units. The community land trust principles may be utilized. This strategy also includes down payment assistance for eligible homebuyers as described below.
- **Purchase Assistance for Existing Home without Rehabilitation:** The city will use SHIP funds to provide down payment and closing costs assistance to eligible homebuyers purchasing new and existing homes. The maximum assistance is Seventy-Five Thousand Dollars (\$75,000). Borrowers will be required to make a minimum One Thousand Dollar (\$1,000) cash contribution toward the purchase price. The loan will be deferred for clients with total household income under 50% of Area Median Income (AMI) and will be forgiven at the end of the 25-year loan term. For clients with household income above 50% AMI and up to 120% AMI, the loan will be deferred for five (5) years and 50% of the loan will be amortized over the following twenty (20) years. At the end of the 25-year loan term, the balance of the loan will be forgiven.
- **Owner-Occupied Rehabilitation:** The city will provide funds for the rehabilitation of owner-occupied single-family residences. The maximum loan is Sixty Thousand Dollars (\$60,000); an additional Fifteen Thousand Dollars (\$15,000) in grant funds may be provided to remove accessibility barriers and to improve accessibility for people with special needs. For households with income up to 80% AMI, the loan will be deferred for 20 years and forgiven at the end of the loan term. Clients above 80% AMI and up to 120% AMI will be required to repay 50% of the loan over 20 years and the remaining balance will be forgiven at the end of the loan term.

- **New Construction:** This program provides funds to eligible developers and community based non-profit organizations for the development of new single-family housing units.
- **Multifamily Housing:** The city will provide SHIP funds to developers and community based non-profit organizations to support the acquisition, rehabilitation, and new construction of rental housing.
- **Disaster Assistance:** In the case of natural or man-made disasters, this strategy will utilize SHIP funding for emergency or interim repairs.
- **Demolition/Relocation/Construction:** This strategy may be used when a home has fallen into disrepair to the point of being unsafe and the cost to repair the home exceeds the maximum assistance under the Home Rehabilitation Strategy. The maximum award under this strategy is Two Hundred Thousand Dollars (\$200,000). The loan will be deferred for clients with total household income under 50% AMI and the loan will be forgiven at the end of the 25-year loan term. For clients with household income above 50% AMI and up to 120% AMI, 50% of the loan will be deferred for (20) years. At the end of the 20-year loan term, the balance of the loan will be forgiven.
- **Rental Assistance:** Funds will be awarded to income eligible rental households to prevent against the threat of eviction and becoming homeless. Eligible expenses include utility deposits, security deposits and assistance for utility and rent arrears.

The Affordable Housing Advisory Committee (AHAC) convened in the fall of 2023 to review policies and procedures, ordinances, land development regulations and the city's adopted comprehensive plan. The AHAC's objective was to recommend specific actions or initiatives to encourage or facilitate affordable housing. The proposed LHAP includes the following nine (9) incentive strategies recommended by the AHAC:

- **Expedited Permitting:** Permits as defined in Florida Statutes Section 163.3177 (6) (f) (3), for affordable housing projects are expedited to a greater degree than other projects.
- **Ongoing Review Process:** An ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption.
- **Modification of Fees:** The Economic Development and Housing Department will continue to assist with the payment of Plan Review and Permit Fees and impact fees utilizing state and federal funds designated for affordable housing.
- **Flexible Densities:** The city supports flexibility in densities for affordable housing through its Comprehensive Plan policies, through its Community Development Code and in accordance with the Live Local Act.
- **Accessory Dwelling Units:** The city will continue to allow for accessory dwelling units in non-residential zoning districts as described within the city's Community Development Code.
- **Parking Reduction:** The Housing Element of the city's Comprehensive Plan supports the reduction of Parking and setback requirements for affordable housing developments.
- **Flexible Lot Configuration:** The city currently allows flexible setback requirements for affordable Housing developments. The plan must be sensitive to the character and context of the existing neighborhood.

- Proximity to Transportation, Employment & Mixed-Use Development: The city will maintain and implement policies of the city's Comprehensive Plan that incentivize affordable housing development proximate to transportation hubs, major employment centers, and mixed-use development.
- Financing: The city will diversify financial strategies to contribute to the new construction and maintenance of affordable housing and financial assistance to obtain housing.

Staff will recommend City Council approval of this item at the City Council Meeting scheduled for April 18.