



## Legislation Text

File #: ID#21-9034, Version: 1

### SUBJECT/RECOMMENDATION:

Approve the Local Housing Assistance Plan (LHAP) for FY2021-2022 through 2023-2024 and adopt Resolution 21-04.

### SUMMARY:

Florida Statute 420.9079 requires counties and cities receiving State Housing Initiatives Partnership (SHIP) Program funds to develop a 3-year Local Housing Assistance Plan (LHAP) outlining strategies for how the funds will be utilized.

The City receives its allocation from the State of Florida through Florida Housing Finance Corporation (FHFC). For fiscal year 2020-2021, the City received \$0 in SHIP funds; however, the City expects to receive \$363,803 in program income. The City expends SHIP funds per the strategies outlined in the LHAP. The City's current LHAP covers state fiscal years 2018-2019 through 2020-2021. The state fiscal year begins on July 1 and ends on June 30 annually.

This new LHAP will cover state fiscal years 2021-2022 through 2023-2024 (FY2021-2023). The strategies outlined in the new LHAP are a continuation of the City's current LHAP with some notable changes. All changes made within the FY2021-2023 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 the following:

- **Acquisition of Existing Homes 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 (DPA) for eligible homebuyers and is continued from the current LHAP with the following change: The current LHAP limits the maximum DPA assistance to \$20,000. A recent surge in home prices has resulted in a need to increase this subsidy. Currently, the \$20,000 subsidy is oftentimes unable to fund the gap between a first mortgage and the price of a decent home for a low to moderate-income household. The proposed LHAP increases the maximum subsidy to \$45,000. The DPA Loan will be deferred for five years and the borrower will be required to pay back 50% of the loan over the following 20 years at zero percent interest.
- **Down Payment & Closing Costs Assistance with or without Rehabilitation:** The City will use SHIP funds to provide down payment and closing costs assistance to eligible homebuyers purchasing existing homes. DPA loan terms described above apply to this strategy.
- **Owner-Occupied Rehabilitation:** The City will provide funds for the rehabilitation of owner-occupied single-family residences. The maximum loan will increase from \$40,000 in the current LHAP to \$45,000 in the proposed LHAP.
- **Multi-Family 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. The maximum subsidy under this strategy is \$150,000 per unit for new construction and \$45,000 per unit for rehabilitation.
- **New Construction Program:** This program provides funds to eligible developers and community-based non-profit organizations for the development of new single-family housing units. The maximum construction loan to a developer under this program is \$200,000 and for the homebuyer, DPA loan terms described above apply.

- **Disaster Mitigation:** In the case of natural or man-made disasters, this strategy will utilize SHIP funding for emergency or interim repairs.

The Affordable Housing Advisory Committee (AHAC) convened in the fall of 2020 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 current LHAP identifies seven Incentive Strategies per the recommendation of the 2017 AHAC. The 2020 AHAC recommended that those seven incentives remain in place with minor changes and clarifications to some. The AHAC is now required to meet every year.

Information regarding other Incentive Strategies may be found in the Incentive Strategies section of the LHAP.

On March 9, the City's Neighborhood and Affordable Housing Advisory Board unanimously passed a motion recommending City Council approval of this item. Per Florida Statute, the City Council adoption of Resolution No. 21-04 will constitute approval of the LHAP for state fiscal years 2019-2021. The LHAP is due to the State by May 2, 2021.

**APPROPRIATION CODE AND AMOUNT:**

N/A

**USE OF RESERVE FUNDS:**

N/A