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Board of County Commissioners
Agenda Request 10

Date of Meeting: 2/25/2003
Date Submitted: 2/20/2003

TO: Honorable Chairman and Members of the Board
FROM: Parwez Parwez Alam, County Administrator
Gary W. Johnson, Director, Community Development Department
SUBJECT: Amend the 2002-2005 Leon County SHIP Program Local Housing Assistance Plan to Add an Affordable Rental Units Strategy.

Statement of Issue:
This item seeks Board approval to amend, by way of Resolution, the Local Housing Assistance Plan (HAP) in accordance with Section 67-37.005, Florida Administrative Code for the State Housing Initiatives Partnership Program (SHIP) to add one new strategy: Rental Units to benefit very low and low-income households in the unincorporated areas of Leon County.

Background:
In 1993, the Florida Legislature established the State Housing Initiatives Partnership, which makes available an allocation of funds for affordable housing. To become eligible for these funds, the Board authorized staff to develop Leon County's first Local Housing Assistance Plan (HAP) in February 1993, to allocate the first year of SHIP revenues. Funds were first received in 1993-1994, and have been received annually since. The HAP has been periodically revised to reflect needed program changes. On April 16, 2002, the Board approved the Local Housing Assistance Plan (HAP) for state fiscal years 2002/03 through 2004/05.

The current HAP contains the following nine Affordable Housing Strategies:

1. Down Payment Assistance Without Repair
2. Down Payment Assistance With Repair or New Construction
3. Down Payment Assistance With Self-Help
4. Major Rehabilitation
5. Minor Rehabilitation
6. Emergency Repair
7. Disaster Mitigation
8. Disaster Resistant Neighborhood Mitigation
9. Transitional Housing

Analysis:
The purpose of this request is to obtain Board approval to revise and amend the HAP by adding the following new strategy: Development of Affordable Housing Rental Units.

New Strategy:

This *rental strategy* provides for County multi-family developments that serve the very low and low-income renters. This strategy is to increase the supply of affordable rental units in the unincorporated Leon County. Applications for SHIP funds will be reviewed by the Affordable Housing Advisory Committee (Housing Finance Authority) designated by the Board. Each year the Florida Housing Finance Corporation (FHFC) opens an application cycle for developers to apply for tax credits. The funding is statewide and very competitive. Each application requires local government contribution and the developer receives points for this contribution. Another option for local contribution is local general revenue dollars or SHIP funds. The minimum amount required for Leon County is $100,000 to received full application points from FHFC.

The strategy highlights are:

- SHIP dollars in the amount of $100,000
- The projects must be in the unincorporated areas of Leon County
- Contributions used for State HOME, Low Income Tax Credits projects or programs approved by the FHFC.

The Housing Office and the Affordable Housing Advisory Committee (HFA) will be responsible for reviewing the applications and making recommendation to the Leon County Board of County Commissioners for approval and assuring compliance with local and State regulations.

Housing units constructed with SHIP funds will remain affordable for a term determined by FHFC. Rental housing for sale before the affordability period expires or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons. Leon County is not required to conduct monitoring since FHFC provides the same monitoring and determination per F.S. 420.9075 (3) (e).

A. Qualifications of the Developer/Applicant:

SHIP funds will be used as part of the local contribution when participating in such programs as Housing Tax Credits, Florida State Apartment Incentive Loan (SAIL) and other programs approved by the FHFC to construct multi-family rental housing. Applications from Developers/Applicants will be awarded competitively using criteria including, but not limited to, the following:

1. Developments must be located in unincorporated Leon County and 15% of those units must be set aside for persons at or below 28% of the area median income.
2. The ability of the Developer/Applicant to complete the units within an eighteen (18) month period.
3. The features of the proposed property. (i.e., community room, swimming pool etc.)
4. Whether or not the Developer/Applicant employs personnel from the WAGES or Workforce Development Program.
5. The experience of the Developer/Applicant in securing State and/or Federal funding.

6. Submission of information describing the application to the State or Federal Agency.

B. Recapture Provisions:

SHIP funds will be provided as deferred loan at 0% interest secured by a lien under the following conditions:

Rental projects offered for sale prior to the end of the affordability period shall give first right of refusal to another nonprofit organization.

Should the units constructed with SHIP funds convert from the affordable status as outlined in the SHIP requirements, the Development/Partnership will be required to repay Leon County for the period remaining on the deferred 15-year loan. Interest on the loan shall be 3% per annum, simple interest.

C. In the event two or more projects are selected in Leon County, the deciding factor to fund one project would be:

A project that supports the Board of County Commission priorities

- A project that puts aside more than 5% for the resident(s) for down payment assistance

Developers will be required to submit an affidavit stating which Board priorities the project supports as well as the percentage amount set aside for down payment assistance and how many residents they will serve.

Revisions:

1. Revise the *#(7) Home Replacement* strategy to increase the term of the deferred payment loan from ten (10) years to twenty (20) years. By increasing the term of the lien, the potential for recapturing or recycling SHIP funds future program utilization is increased.

The Housing Finance Authority has reviewed the revisions and amendments and recommends that the Board accept these revisions and amendment to the HAP.

Options:
1. Approve the amendment of the Local Housing Assistance Plan to add the Rental Strategy by way of resolution.

2. Adopt the Resolution for transmittal to the Florida Housing Finance Corporation and authorize staff and the Chairman to execute required transmittal documents.

3. Approve the revisions of the Local Housing Assistance Plan (HAP) to increase the term of the deferred payment loan for Home Replacement units from ten (10) years to twenty (20) years.

4. Do not approve the HAP plan revisions and amendments.

5. Board direction.

Recommendations:
Options #1, #2 and #3.

Attachments:

1. Leon County Local Housing Assistance Plans with proposed amendment and revisions in the underlined and strike through format and

2. Resolution.

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RESOLUTION NO. _____

A RESOLUTION PERTAINING TO RULE 67-37, *FLORIDA ADMINISTRATIVE CODE*, TO ADOPT A LOCAL HOUSING ASSISTANCE PLAN UNDER THE PROVISIONS OF THE STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM

WHEREAS, Leon County has elected to apply for funding under the State Housing Initiatives Partnership Program, hereinafter referred to as the SHIP program; and

WHEREAS, s. 420, Florida Statutes establishing the state SHIP program requires local governments adopt a Housing Assistance Plan; and

WHEREAS, in that plan, the County establishes that the maximum cost per unit and average cost per unit for each strategy is shown to be as follows:

Strategy	Maximum Per Unit	Average Per Unit
Down Pay. Assis. w/Const.	$10,000	$5,000
Down Pay. Assis. w/o Const.	$10,000	$5,000
Down Pay. Assis. w/Self-Help	$15,000	N/A
Major Rehabilitation	$37,000	$35,000
Minor Rehabilitation	$15,000	$12,000
Emergency Repair	$5,000	$5,000
New Construction/Replacement	$37,000	$37,000
Disaster Mitigation	$10,000	N/A
Disaster Resistant Neighborhood Mitigation	$1,500	N/A
Transitional/Emergency Housing	$25,000	$25,000
Development of Affordable Rental Units	$100,000	N/A

WHEREAS, the County has determined that ten percent (10%) of the Local Housing Distribution is insufficient to adequately pay for the administrative costs of the program;

NOW THEREFORE BE IT RESOLVED that no more than ten percent (10%) of the Local Housing Distribution shall be used to pay for the administrative costs of the SHIP Program.

NOW THEREFORE BE IT RESOLVED that the Leon County Board of County Commissioners hereby adopts the Local Housing Assistance Plan as presented.

BE IT FURTHER RESOLVED that the affordable housing objectives as reflected in Chapter 420, Florida Statutes, are applicable to Leon County, and said objectives are consistent with the Tallahassee-Leon County 2010 Comprehensive Plan adopted on July 16, 1990.

DULY PASSED AND ADOPTED by the Board of County Commissioners of Leon County, Florida, this the _____ day of _____, 2003.

LEON COUNTY, FLORIDA

BY:_____

Tony Grippa, Chairman
BOARD OF COUNTY COMMISSIONERS

ATTEST:
BOB INZER, CLERK OF THE COURT
LEON COUNTY, FLORIDA

BY: _____

APPROVED AS TO FORM:
LEON COUNTY ATTORNEY'S OFFICE

BY:_____
Herbert W.A. Thiele, Esquire

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