



Cover Memorandum/Staff Report

File #: 22-629

Agenda Date: 5/17/2022

Item #: 7.C.

TO: Mayor and Commissioners
FROM: Sammie L. Walthour, Director, Neighborhood and Community Services
THROUGH: Terrence R. Moore, ICMA-CM, City Manager
DATE: May 17, 2022

STATE HOUSING INITIATIVES PARTNERSHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)
FY2022-2025

RECOMMENDATION:

Motion to authorize and approve the Local Housing Assistance Plan (LHAP) for Fiscal Years 2022-2025, by adopting Resolution #61-22, pursuant to Title 67-37 of the Florida Administrative Code.

BACKGROUND:

The following explanation aims to provide clarification to previous questions regarding the Local Housing Assistance Plan. The LHAP is a requirement of the State Housing Initiative Partnership Program due every three (3) years under the Florida Housing Finance Corporation. The SHIP Program provides direct financial assistance to beneficiaries and City's Workforce Housing Ordinance requires the provision of affordable units by a developer electing to receive an incentive in the form of an increase in density/height. They are two separate items which both address housing measures. The strategies within the LHAP help to support policy to enhance the stabilization of neighborhoods and individuals residing/choosing to reside within the City of Delray Beach. The LHAP is governed by the State and allows for recommendation of its incentive strategies by the members of the Affordable Housing Advisory Committee as noted below.

For the past twenty-nine (29) years, the City has received funds under the State Housing Initiatives Partnership (SHIP) Program. SHIP funds are generated from a portion of documentary stamp taxes collected throughout the State and held in the State's Housing Trust Fund for the development and maintenance of affordable housing. The State requires a Local Housing Assistance Plan (LHAP) outlining how the City plans to administer the SHIP funds once they are received. On February 23, 1993, under Ordinance #2-93, the City Commission established a Local Housing Assistance Program created the Local Housing Trust Fund and created the Affordable Housing Advisory Committee to comply with various sections of Title 67 of the Florida Administrative Code. The Neighborhood Services Division staff administers the program and under the approved plans, has assisted Delray Beach residents with homeownership, housing rehabilitation and foreclosure prevention opportunities.

The Affordable Housing Advisory Committee (AHAC) has made the following recommendations to the housing plan. The below are explanations for each:

1) Purchase Assistance; 2) Owner-Occupied Rehabilitation Assistance; 3) Disaster Assistance; 4) Sub-Recipient Housing Partnership Program (Community Land Trust).

5) Foreclosure Prevention; 6) Rental Assistance. Ongoing review of the incentives within the LHAP is underway. Any subsequent revisions made will return to Commission for review that may be implemented during the next three years. The LHAP is based on the current year's annual allocation of \$642,103 per year for the three-year period.

The above changes include the following:

1. Modification of the lien terms to ten (10) and (15) years and amortization of the amount, if repayment is required,
2. Increase of asset limit to \$200,000 including real estate to all strategies,
3. Increase of Disaster Assistance award to \$15,000,
4. Removal of the Community Land Trust strategy however inclusionary language within the purchase assistance strategy for continued assistance,
5. Increase of Rental Assistance award to \$10,000.

During conditional review of the Plan by State, the following recommendations were made:

1. Inclusion of language to include "community land trust" participation within Section 11, Strategy A. "Purchase Assistance". This has been supported in this manner over the past ten years and now becomes standard as with most cities that offer the opportunity.
2. Clarification regarding the waiting list/priorities and Essential Service Personnel goals as identified in Section I(i).

All modifications made to the Plan considered the beneficiary and the City's best interests. All changes were made either by task force recommendation, inspector review, and requests made by the community in the past three years. No other changes were suggested to the Plan and staff concurs.

CITY ATTORNEY REVIEW:

Approved as to form and legal sufficiency.

FISCAL IMPACT/FUNDING SOURCE

State Housing Initiatives Partnership (SHIP) funds budgeted in the FY22-23 budget.