Agenda Item #: 31-1

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

| Meeting Date: | March 17, 2009 | ======= [] | Consent | [X] | Regular | ===== |
|---------------|-----------------------------------|---------------|---------|-----|---------|-------|
| Department: | Housing and Community Development | | | | | |

Submitted By: Housing and Community Development

Submitted For: Commission on Affordable Housing

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: A) A \$15,000 increase in the maximum State Housing Initiative Partnership (SHIP) housing purchase assistance subsidy for moderate income households from \$15,000 to \$30,000; and B) reducing the threshold housing debt ratio for moderate income households from 32.50 to 30.00.

Summary: The SHIP Program provides funding to Palm Beach County for various programs designed to assist in the development and preservation of affordable housing. These funds are administered by the County's Commission on Affordable (CAH) Housing. The housing purchase assistance program provides financial assistance to eligible extremely-low, very low, low and moderate income homebuyers. To ensure the CAH meets the State mandated expenditure goals, the CAH Advisory Board recommended that the purchase assistance subsidy for moderate income households be increased from \$15,000 to \$30,000. Also, the CAH recommended reducing the minimum housing debt ratio from 32.50 to 30.00. "Housing debt ratio" is the percentage of an applicant's monthly income compared to the proposed monthly housing related expenses (principal, interest, taxes, insurance, and HOA where applicable). Under current SHIP guidelines, an applicant's housing debt ratio must equal at least 32.50 in order to qualify for the maximum subsidy amount. By reducing the required threshold for the housing debt ratio, additional moderate income applicants can qualify for housing purchase assistance. Currently the maximum subsidy for applicant moderate income households with a minimum housing debt ratio of 32.50 is \$15,000. These recommendations only impact subsidy requests for the 2008/2009 SHIP grant year. All other subsidy assistance amounts will remain unchanged. These are state dollars that require no local match. (Countywide) (TKF)

Background and Justification: On May 18, 1993, the Board of County Commissioners (BCC) adopted its Affordable Housing Ordinance (No. 93-8 as amended) pursuant to the SHIP regulations outlined by the Florida Housing Finance Corporation (FHFC). The County's Commission on Affordable Housing (CAH) was established by the BCC in 1990 to administer the Robert E. Pinchuck Memorial Housing Trust Fund. The current SHIP Local Housing Assistance Plan (LHAP) adopted by the BCC on April 25, 2006 (R2006-0738) establishes how local SHIP program funds are to be allocated. SHIP funds are used to facilitate the acquisition and construction of affordable single-family and multi-family/rental housing Palm Beach County. Additionally, under the Local Housing Assistance Plan, SHIP funding is also used for: foreclosure prevention; utility connection and impact fee payments; Home Ownership Development; Multifamily Rental Development; Disaster Mitigation; HOME Program Match; Rental Housing Entry Assistance; architectural barrier removal; and Owner-Occupied Rehabilitation.

| Attachments: NONE | 1 | |
|----------------------|--------------------------------|----------------|
| Recommended by: | Department Director | 3/6/09 Date |
| Approved By: | Assistant County Administrator | >(r >(O)C |
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II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-----------------------------------|--------------|-----------------|--|------------------------------|
| Capital Expenditures | | | | | |
| Operating Costs | | | | | |
| External Revenues | | | | | |
| Program Income | | | | | |
| In-Kind Match (County) | | | | | |
| NET FISCAL IMPACT | | | | | |
| # ADDITIONAL FTE POSITIONS (Cumulative) | | | | | |
| Is Item Included In Current Budget Account No.: | t Budget? | Yes | No | | |
| Fund Unit' O | rg Objec | ct Progra | m Code/Peri | od BGG | SY . |
| B. Recommended Source Source: | s of Funds/S | ummary of F | iscal Impact: | | • |
| No fiscal impact | | | | | |
| C. Departmental Fisca | l Review: | Shairette M | Major, Fiscal N | Manager I | |
| | III. <u>RE</u> | VIEW COM | MENTS | | • |
| A. OFMB Fiscal and/o | r Contract De | evelopment a | nd Control C | omments: | |
| | | | | | |
| OPMB B. Legal Sufficiency. | 3-13-09 20 3/10/09 5/3/11/0 | 09. | tract Develop | esonity / 8 ment and Co with current | <u>.9.3</u> /13/09 ontrol |
| Assistant County At | torney | | | | |
| C. Other Department F | Review: | | | | |
| | | | | | |
| Department Directo | 7 | | | | |
| This summary is not to be us | ed as a basis | for payment. | | | |