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Board of County Commissioners

Leon County, Florida

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Agenda Item Executive Summary

Thursday, January 15, 2009

Title:

Approval of a Resolution Amending the State Housing Initiatives Partnership Local Housing Assistance Plan

Staff:

Parwez Alam, County Administrator
Vincent S. Long, Deputy County Administrator
Don A. Lanham, Grants Program Coordinator

Issue Briefing:

This item seeks Board approval of a Resolution authorizing an amendment to the State Housing Initiatives Partnership Local Housing Assistance Plan (Attachment #1). The proposed amendment would add a Foreclosure Prevention Strategy to the Plan.

Fiscal Impact:

This item is associated with a potential grant from the State of Florida. There is no cash match requirement, but funds cannot be used for administrative purposes, requiring existing staff to administer the program. The strategy proposed may also be utilized in future State Housing Initiatives Partnership (SHIP) allocations.

Staff Recommendation:

Option #1: Approve the Resolution amending the State Housing Initiatives Partnership Local Housing Assistance Plan.

Report and Discussion

Background:

Leon County was notified that, during the 2008 legislative session, \$20,000,000 in non-recurring funds were placed in the State Housing Trust Fund (Specific Appropriation 1616) to be used for homeownership assistance in counties and municipalities in the state that do not impose impact fees for homeownership purposes.

Analysis:

The County is eligible for no more than \$2 million and is required to provide homeownership services as identified in the adopted Local Housing Assistance Plan (LHAP). The County has notified the Florida Housing Finance Corporation of its intention to request the full amount available and, if funded will utilize the funds to provide the down payment assistance for first time homebuyers and foreclosure prevention. To be able to utilize the foreclosure prevention strategy, it must be included in the adopted Leon County Local Housing Assistance Plan.

Leon County has seen a substantial increase in the rate of foreclosures in 2008. From 2001 to 2006, there was an average of 675 foreclosures annually. In 2008, there were 1435 foreclosures, an increase of 112 %.

Upon Board approval, staff will draft a proposed Foreclosure Avoidance Program to be brought back for Board consideration. The proposed program is entirely contingent on receiving funding through this Grant. If funded, it will be administered through the Housing Division and will include providing eligible homeowners with delinquent mortgage assistance, credit counseling, and refinancing costs.

The amount of assistance provided will be subject to a subordinate mortgage on the property in the amount of the subsidy. This mortgage will be a 0% interest, forgivable in five years, if the owner maintains the home as a principle residence. If ownership of the property changes prior to the five years, the entire amount of the mortgage is due and payable to the County.

Options:

1. Approve the Resolution amending the State Housing Initiatives Partnership Local Housing Assistance Plan.
2. Do not approve the Resolution amending the State Housing Initiatives Partnership Local Housing Assistance Plan.
3. Board Direction.

Recommendation:

Option #1.

Attachment:

1. [Resolution Amending the State Housing Initiatives Partnership Local Housing Assistance Plan](#)