



Legislation Text

File #: 2023-R-03, **Version:** 1

MOTION TO ADOPT PROPOSED RESOLUTION 2023-R-03.

PROPOSED RESOLUTION 2023-R-03 IS A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA APPROVING THE AMENDED LOCAL HOUSING ASSISTANCE PLAN FOR FISCAL YEARS 2022-2025; AUTHORIZING AND DIRECTING THE APPROPRIATE CITY OFFICIALS TO EXECUTE ANY NECESSARY DOCUMENTS AND CERTIFICATIONS REQUIRED BY THE STATE; AUTHORIZING THE SUBMISSION OF THE LOCAL HOUSING ASSISTANCE PLAN FOR REVIEW AND APPROVAL BY THE FLORIDA HOUSING FINANCE CORPORATION; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

SUMMARY EXPLANATION AND BACKGROUND:

1. The Local Housing Assistance Plan (LHAP) is a summary of the local housing assistance strategies carried out through the City. It also contains local housing incentives recommended by the City's Affordable Housing Advisory Committee (AHAC) and subsequently adopted by local government resolution. The SHIP program was created to meet the housing needs of the very low, low and moderate-income households; for the purpose of expanding the production of and preserving affordable housing for very low to middle income buyers, to further the local government housing element and to increase housing related employment.

2. The City through its housing program administrator, Community Redevelopment Associates of Florida (CRAFLA Inc.) primarily offers Minor Home Repair and Purchase Assistance programs to income qualified residents.

Minor Home Repair program allows for repairs to an existing home of an income qualified resident to achieve the following objectives:

- ☐ Eliminate building code violations.
- ☐ Abate any health and safety issues in the home.
- ☐ Repair, upgrade, or replace major building systems, as necessary; including building systems include Structural, Electrical, Plumbing, Heating, Ventilation, Air Conditioning and Sewer Systems
- ☐ Prevent weather penetration; promote energy efficiency/green initiatives, including the use of Energy Star products in the home.
- ☐ Provide barrier-free accessibility improvements to elderly - individuals 62 years old and older and disabled owner-occupied households. Households where an applicant has a disability will be required to provide an SSI or SSDI award letter or a letter from a doctor, case worker, or other qualified professional stating that the applicant has a disability that requires specific accessibility features, i.e., mobility or vision/hearing impairment.

- ☐ Make repairs that address principles of universal design such as equitable use, low physical effort, safety oriented and a focus on approach/use and promote “aging in place.”

Purchase assistance program is in the form of First Time Home-buyer assistance to income qualified persons purchasing a home within the City.

3. Minor Home Repair Process - The resident applies to the program and is pre-qualified based on income status. Minor Home Repair project scope of work is created for qualifying properties through a specification writer who is hired by the City. The spec writer inspects the qualifying property and records all deficiencies within the home in accordance with the criteria above. The specifications are then subject to bid by qualifying contractors. Should a selected bid exceed the allowed cap, CRAFLA Inc. works with the resident to reduce scope to keep prices low. Reducing the scope of work ultimately results in less repairs to the home.

4. Purchase Assistance Process - SHIP funds will be awarded to assist eligible first-time home-buyers on a first-qualified, first-served basis with the priorities for Special Needs, Essential Services Personnel with a loan to be applied towards the costs of purchasing existing or newly constructed (with a Certificate of Occupancy) eligible affordable housing. Applicants must not own any other property used for residential purposes, and the home to be purchased must be located within the City limits. Applicant must use the mortgage programs offered by the mortgage providers in the City's lenders consortium. The applicant must contribute a minimum of 1% of the sales price (including pre-paid) towards the purchase of the home.

5. Program assistance is typically provided in a forgivable loan after the program term and requirements have been met.

6. The City of Pembroke Pines has voluntarily self-imposed the following maximum awards for these programs:

- ☐ Minor Home Repair: \$90,000
- ☐ Purchase Assistance:
 - Very Low Income: \$50,000
 - Low Income: \$40,000
 - Moderate Income \$30,000

7. All of the funds awarded under this program are grant funded. HUD requires all grant funds to be spent in a timely manner. Should funds not be spent in a timely manner, the City may be subject to reduced funding in the future.

8. The City has recently seen a significant increase in costs related to these programs which are resulting in increased awards. These higher awards are due to the following challenges:

- Rising Housing Prices.
- Increase in the cost of labor.
- Rising Costs and availability of construction materials.
- Aging Housing stock - Requiring more complex repairs and new building code requirements.
- Corrections for work completed without permit.

- Changes to requirements for homeowner property insurance.
- Elderly/Special Needs adjustments - Which typically require specialty ramp installations, structural modifications in addition to typical repairs.
- Homeowner Association Requirements - Tile Roofs, specialty driveway repairs etc. which drive up repair costs

9. As the costs increase, the City is finding it harder to provide a similar level of service as previously provided.

10. Administration recommends approving a technical revision to the 2022-2025 Local Housing Assistance Plan raising the self-imposed caps (changes listed pages 7 and 10 of LHAP):

- ☐ Minor Home Repair increased from \$90,000 to \$110,000.
- ☐ Purchase Assistance: Very Low Income: \$50,000 increased to \$75,000
Low Income: \$40,000 increased to \$60,000
Moderate Income: \$30,000 increased to \$50,000

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** None. Grant Funded Program.
- b) **Amount budgeted for this item in Account No:** Not Applicable.
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project:** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable.

FEASIBILITY REVIEW:

A feasibility review is required for the award, renewal and/or expiration of all function sourcing contracts. This analysis is to determine the financial effectiveness of function sourcing services.

- a) **Was a Feasibility Review/Cost Analysis of Out-Sourcing vs. In-House Labor Conducted for this service?** Not Applicable.