

2023-309A

City of Gainesville

2023-2026

The SHIP Program and The Local Housing Assistance Plan (LHAP)

April 6, 2023

SHIP Program Purpose

- SHIP is the State Housing Initiatives Partnership
- Provide funds to Cities and Counties to produce and preserve affordable housing
 - Homeownership
 - Rental
- An incentive to create partnerships
- Focus on Home Ownership and Construction



SHIP Program Funding

- Governed by the 1992 William E. Sadowski Affordable Housing Act
 - State statute and State rule
- A portion of the documentary stamp taxes on real estate transactions
- Generally, revenues increase when housing costs increase
- Distributed to Cities and Counties by the Florida Legislature



Minimum Thresholds

Each SHIP Dollar is Required to Meet the Following Criteria:

CONSTRUCTION

At least 75% must be spent on construction (including new construction & rehabilitation)

HOMEOWNERSHIP ACTIVITIES

At least 65% must be spent on homeownership activities



LOW AND VERY LOW INCOME HOUSEHOLD ASSISTANCE

At least 60% must be used to assist low-income households. Of this amount, at least half (30% of the total) must be used to assist very low-income households.



ADMINISTRATION

No more than 10% may be used on administration.

- Other thresholds: 20% Special Needs; 15% Rental Housing (Max.)

Eligible Households

Family Size	Very Low (50% MFI) Income Limit	Low (80% MFI) Income Limit	Moderate (120% MFI) Income Limit
1	\$28,700	\$45,850	\$68,880
2	\$32,800	\$52,400	\$78,720
3	\$36,900	\$58,950	\$88,560
4	\$40,950	\$65,500	\$98,280
5	\$44,250	\$70,750	\$106,200
6	\$47,550	\$76,000	\$114,120
7	\$50,800	\$81,250	\$121,920
8	\$54,100	\$86,500	\$129,840

US Dept. of Housing & Urban Development, Effective June 15, 2022
Medium Family Income = \$85,600



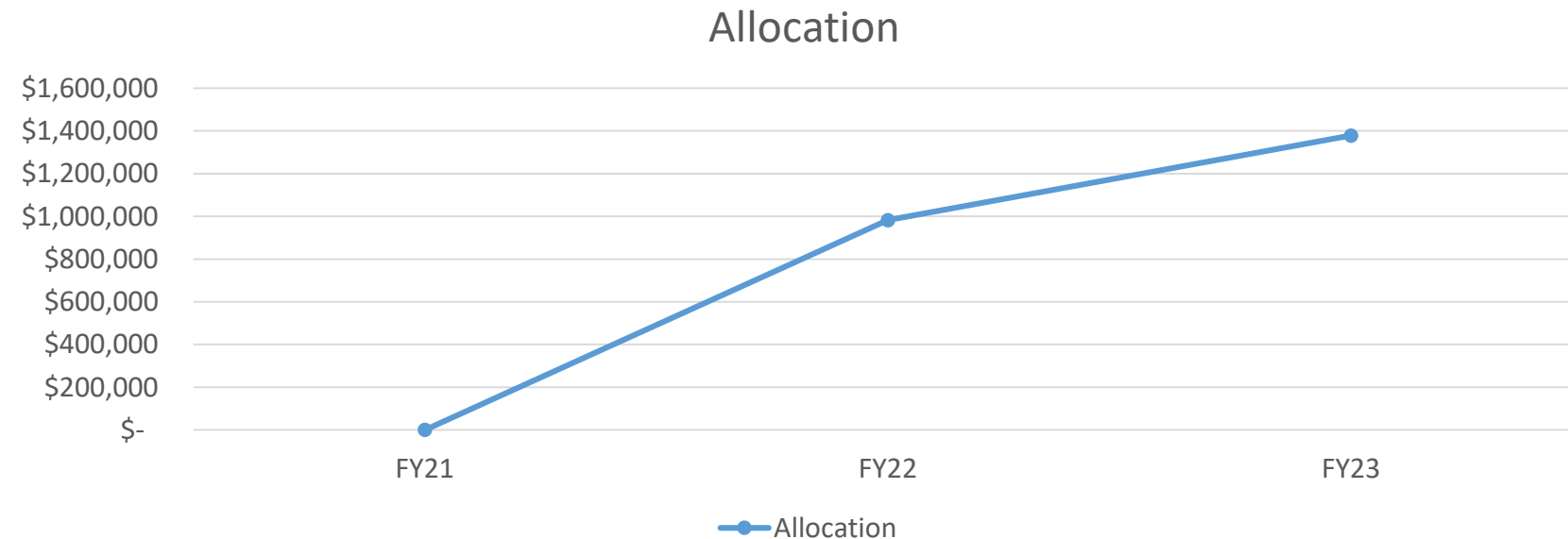
Planning and Reporting Requirements

- Required in order to receive SHIP Funding
 - Public input
- SHIP Annual Report
 - Description of how SHIP funds were used and their impacts
- Annual Incentives and Recommendations Report (IRR)
 - Addresses the impacts of regulations and incentives on the costs of housing
- 3 Year Local Housing Assistance Plan (LHAP)
 - Descriptions of programs and strategies to use SHIP funds
 - **Due to State by May 2, 2023**



Past Allocations

- FY 2020-2021: No funding due to COVID-19 Pandemic Relief
- FY 2021-2022: \$982,058
- FY 2022-2023: \$1,378,145



Maximum Sales/Price Value Limit ^{City of} **Gainesville**

- New Construction: \$251,000
- Existing: \$217,000



Current Strategies

Strategy	Max. Award	Income Limit
Housing Counseling	_____	VL, L, M
Owner Occupied Rehabilitation	\$70,000	VL, L
House Replacement	\$175,000	VL, L
Roof Replacement	\$20,000	VL, L
Down Payment Assistance (DPA)	\$15,000	VL, L, M
Housing Development (Homeownership)	\$50,000 per unit	VL, L, M
Mortgage Foreclosure Intervention	\$7,500	VL, L, M
Disaster Assistance	\$10,000	VL, L, M
Rental Development (New Construction/Rehabilitation)	\$15,000 per unit for developments of 10 or fewer units; \$250,000 per project for developments of 11 or more units	VL, L

Summary of Changes, Pt. 1

- Owner Occupied Rehabilitation
 - maximum award increased from \$70,000 to \$80,000
 - expanded to include some Mobile/Manufactured Homes, and some attached homes
- Roof Replacement
 - maximum award increased from \$20,000 to \$25,000
 - expanded to include some Mobile/Manufactured Homes, and some attached homes
- House Replacement
 - expanded to include some Mobile/Manufactured Homes

Summary of Changes, Pt. 2

- Down Payment Assistance
 - maximum award is now based on income
 - \$30,000 for Very Low Income
 - \$20,000 for Low Income
 - \$15,000 for Moderate Income
- Housing Development (Homeownership)
 - developer preference will be given to local businesses, small businesses, and businesses owned by women, veterans, and/or minorities
- Rental Development (New Construction/Rehabilitation)
 - maximum award is simplified to \$25,000 per unit
 - developer preference will be given to local businesses, small businesses, and businesses owned by women, veterans, and/or minorities

General LHAP Timeline

ACTION	DATE
Public Meetings	February 7 & 8
Submit Draft to State for Conditional Review	February 28
State issues Conditional Approval	March 15
City Commission adopts by resolution	April 6
Due to State	May 2



Recommendation

The City Commission:

1. Adopt the resolution approving the State Housing Initiatives Partnership Program Local Housing Assistance Plan for State Fiscal Years 2023/2024, 2024/2025, and 2025/2026;
2. Authorize the submission of the 2023-2026 Local Housing Assistance Plan to the Florida Housing Finance Corporation; and
3. Authorize the Mayor and/or City Manager or designee to execute all necessary documents related to the 2023-2026 Local Housing Assistance Plan, subject to review by the City Attorney as to form and legality.

