

# **Board of County Commissioners**

## **Agenda Request**

Date of Meeting: March 1, 2010

Date Submitted: February 12, 2010

To: Honorable Chairman and Members of the Board

From: Benjamin H. Pingree, County Administrator  
Lindsay Stevens, Assistant County Administrator  
Alfred Nelson, Housing Director  
Annie Brown, SHIP Coordinator

Subject: Request Board Approval to Adopt a Resolution Preserving the Documentary Stamp Fee and Supporting the Elimination of the Legislative CAP on the Housing Trust Funds for Housing Programs

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### **Statement of Issue:**

This agenda item requests Board approval to adopt a Resolution preserving the Documentary Stamp Fee and supporting the elimination of the Legislative CAP on the Housing Trust Funds for Housing Programs.

### **Background:**

In 1992, the state legislature passed the William E. Sadowski Affordable Housing Act. Funds are allocated on a population-based formula. The minimum allocation to a local community is \$350,000 and the largest allocation is over \$9 million. State Housing Initiative Partnership (SHIP) funds are distributed on an entitlement basis to all 67 counties and 48 Community Development Block Grant (CDBG) entitlement cities. Funds are disbursed monthly to eligible communities as documentary stamp revenues and are deposited into the Local Government Housing Trust Fund.

The Act created a dedicated revenue source for the state and local housing trust funds expressly and specifically to fund state and local housing programs that assist local governments in meeting the housing needs of its population. Since 1992, the SHIP Program is the major program funded under the Sadowski Act. On April 5, 1993, the Wakulla County Board of County Commissioners adopted the State Housing Initiative Partnership (SHIP) Program, pursuant to the William E. Sadowski Affordable Housing Act, Section 420.9067, Florida Statutes (F.S.) and Rule 9I-37, Florida Administrative Code. Wakulla County receives \$350,000.00 in SHIP Program funds annually.

SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. SHIP funds may also be used to assist in the purchase and rehabilitation of manufactured housing constructed after June 1994 in accordance with the installation standards defined in the rules of the Department of Highway Safety and Motor Vehicles.

**Analysis:**

The SHIP Program is funded at the state level from revenues collected from local documentary stamp at the State level. Total actual disbursements are dependent upon the amount of documentary stamp collections at the state level. Funds are used as incentives to produce and/or preserve affordable home ownership and multifamily rental housing. Jurisdictions must establish a Local Housing Assistance Plan (LHAP) that provides strategies to meet the affordable housing needs of the community. A minimum of 65% of funds must be spent on eligible home ownership activities, a minimum of 75% of funds must be spent on eligible construction activities, at least 30% of the funds must be reserved for very-low-income households (up to 50% of median income) and an additional 30% of the funds may be reserved for low-income households (up to 80% of median income). The remaining funds may be reserved for moderate-income households (up to 120% of median income).

The Legislature enacted a cap on the Housing Trust Fund of approximately \$243 million per year, beginning in the Fiscal Year 2007-2008. In 2009, the Legislature swept all of the money out of the Housing Trust Fund to be used for other State budget items. The SHIP Program that allowed local discretion in spending the Housing Trust Fund revenue was replaced by a small down payment assistance program restricted to families utilizing the first time homebuyer federal income tax credit. This cap is currently higher than the projected revenue for the Housing Trust Funds for fiscal years 2010-2011, 2011-2012, and approximately \$9 million less than August 2009 revenue projected for 2012-2013, and therefore removal of the cap would have little or no negative fiscal impact on the state budget for the next three fiscal years

The Sadowski Coalition, which includes the Florida Housing Coalition, the Florida League of Cities, and the Florida Association of Counties, among its 25 statewide organizational members, is already at work to stop the loss of SHIP and state housing trust fund monies. The Coalition is requesting that every SHIP recipient (all 67 counties and SHIP municipalities) adopt a Resolution urging the Florida Legislature to repeal the cap on the state and local housing trust funds and fully fund Florida's affordable housing programs in 2010. These Resolutions will be used before and during the 2010 legislative session when housing advocates are meeting with legislators.

**Options:**

1. Adopt the Resolution preserving the documentary stamp fee and supporting the elimination of the Legislative CAP on the Housing Trust Funds for Housing Programs.
2. Do not adopt the Resolution preserving the documentary stamp fee and do not support the elimination of the Legislative CAP on the Housing Trust Funds for Housing Programs
3. Board Direction.

**Recommendation:**

Option# 1

**Attachment(s):**

1. SHIP Resolution Housing Trust Funds.