REPORT TO COMMISSIONERS: CITY-COUNTY COORDINATION OF HOUSING PROGRAMS

In 2008, the Tallahassee-Leon County Planning Department completed the Evaluation and Appraisal Report (EAR) process for the Housing Element of the Comprehensive Plan. This was the first time that the City and County had a joint City and County section of the Housing Element. Joint Housing Element Policy 1.1.1 states:

> **Policy 1.1.1: [JH]** *(Effective 4/10/09)*
> The Department of Economic and Community Development and Leon County Division of Housing Services shall prepare a report outlining how both departments can coordinate and maximize local resources for greater and more efficient production of affordable housing. Said report shall be presented to the City Commission and the Board of County Commissioners no later than December 2009.

The City's Housing Division and Leon County's Housing Services Division met in October 2009 to discuss coordination and resources. The following report describes the current situation and proposed ways to further coordinate efforts.

Current Status of City and County Housing

City of Tallahassee Housing Division

The City's Housing Division currently serves households that reside within the City limits. Staff believes this is an efficient method, because it is a distinction based on tax assessor records of city limits and there is no confusion as to jurisdiction.

The Housing Division receives funding from federal, state and local sources. Tallahassee is considered an "entitlement community" by the U.S. Department of Housing and Urban Development (HUD) which means Tallahassee receives an annual allocation of housing assistance funds in the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Shelter Grant (ESG) programs. To be eligible for the funds, Tallahassee submits to HUD a 5-year Consolidated Plan, and an Annual Action Plan. Each year Tallahassee must report on the use of the federal funds in the Consolidated Annual Performance and Evaluation Report (CAPER). The City must report data for each project and each household served with federal funds in reporting software called Integrated Disbursement and Information System (IDIS). These plans and reports take significant expertise, and the Housing Division staff is required to attend training to stay current on the programs. With these federal funds, the City administers owner-occupied rehabilitation, purchase assistance for first-time homebuyers, renovation of neighborhood service centers, neighborhood revitalization, new construction of affordable housing, and more.

The City received a one-time award of over $2.94 million in federal Neighborhood Stabilization Program (NSP) funds, administered by the State Department of Community Affairs (DCA). NSP was a special program established by the 2008 Housing and Economic Recovery Act. As an entitlement community, HUD has also awarded the City with over $784,000 in Homeless Prevention and Rapid Re-housing Program funds and over $518,000 in CDBG-Recovery funds

through the 2009 American Recovery and Reinvestment Act, also known as the economic stimulus program. The City applied for $10 million in the competitive Neighborhood Stabilization Program 2 (NSP2), another initiative of the economic stimulus program, but will not be informed about the award until December 2009.

The City had received an average of $1.4 million annually through the State Housing Initiatives Partnership (SHIP) program before the program was not funded in fiscal year 2009-2010. The SHIP program allows local governments to spend the funds over a three-year period. The City will use the last of its FY 2008-2009 SHIP funds in FY 2009-2010 for various owner-occupied rehabilitation programs, new construction of affordable housing, and homebuyer counseling. The State also funded a new program, the Florida Homebuyer Opportunity Program (FLHOP) that provided over $284,000 to the City for down payment assistance to first time homebuyers.

The City established the Affordable Housing Trust Fund with local dollars in 1992. The fund has provided lines of credit for new construction, and assistance for projects that could not be funded with established state and federal assistance programs.

The City has eight staff members in the Housing Division, including the Housing Administrator, three Grants and Housing Specialists, two field Community Development Specialists, a Coordinator – Special Projects, and an Administrative Specialist II.

Leon County Division of Housing Services

The goal of Leon County's Housing Services Program is to provide safe, sanitary and affordable housing to very low and low-income citizens in the unincorporated areas of the County. The Housing Program administers the following programs, with the utilization of federal, state, and local resources, in an effort to accomplish this goal: State Housing Initiatives Partnership (SHIP) and Community Development Block Grant (CDBG).

Only the SHIP program is ongoing in the form of an annual allotment of documentary stamp tax revenue from the state. CDBG funding is available only through the competitive process. County participation in these programs is not guaranteed, as Leon County, unlike the City of Tallahassee, is not defined as a participating jurisdiction (PJ) or entitlement community. Therefore, the County is not guaranteed funding but must compete every year for CDBG funds. Housing Services staff is continuously seeking alternative funding sources for the administration of its current programs.

The County has six staff members in the Housing Division, including the Affordable Housing Manager, one Housing Services Specialist, one Housing Rehabilitation Inspector, one Financial Compliance Administrator, and two Administrative Associates. The County also manages its own housing rehabilitation/new construction program in-house.

State Housing Initiatives Partnership (SHIP)

Housing Services administers the local SHIP program with the funding provided by the State based upon an annual allocation. Services provided to income eligible clients include:

- Provision of below market rate mortgage bonds, with or without down payment assistance to encourage first-time homeownership. Services also include credit counseling and education.
- Provision of housing rehabilitation for owner-occupied, substandard housing.
- Provision of home replacements of substandard dwellings, as deemed necessary
- Provision of minor repairs that are necessary post-weather events impacting the unincorporated area.

SHIP requires that all funding allocations be expended within a three year time frame. During the past three fiscal years, Housing Services has received an average annual allocation of approximately $900,000 and assisted approximately 100 clients through its direct services provided. In addition, funding was utilized to provide home buyer education and credit counseling to over 500 Leon County residents. Funding of this program was consistent through FY07; however, as of FY08 the allocation began to decrease based upon actions by the State Legislature. There was no funding provided for the SHIP program for FY10; however, the balance of SHIP funding will be utilized to provide housing rehabilitation and/or home replacements. A new program for FY10, is the Florida Homebuyer Opportunity Program for the provision of down payment assistance to first-time homebuyers and the total allocation has been received in the amount of $138,363.

Community Development Block Grant (CDBG)

Leon County is not considered an "entitlement" community by the U.S. Department of Housing and Urban Development (HUD). However, Leon County has been successful in pursuit of competitive funding from the Department of Community Affairs (DCA) which serves as a pass-through funding agency for HUD. In prior years, Leon County has been successful in being awarded funding from the DCA for Neighborhood Stabilization funding. These funds have been utilized to provide the following services to clients meeting income eligibility:

- Provision of housing rehabilitation for owner-occupied, substandard housing (mobile homes included).
- Provision of home replacements of substandard dwellings, as deemed necessary

During FY 10, Leon County has been awarded $262,273 in CDBG Emergency Setaside funding to address urgent community needs that pose an immediate and direct threat to the health, safety, and welfare of residents of low and moderate income residents. This funding is being provided by the DCA to assist in the recovery efforts of the impacts of the March 2009 storms in the unincorporated area of Leon County. Funding will be utilized for approximately four (4) projects requiring home rehabilitation of replacement.

In addition, Leon County will be submitting an application for the 2008 Disaster Recovery Grant in the amount of $10.1 million dollars. The grant requires the funding of unmet needs, including disaster relief and long-term recovery, resulting from Tropical Storm Fay, Hurricane Ike, and Hurricane Gustav. In addition, the grant requires that the funding be utilized to meet the national low and moderate income (LMI) objectives. The application will be submitted in January 2010 and it is anticipated that funding will be awarded in June 2010.

Impact Fee Proviso Funding
In 2009, the State Legislature approved $10 million in non-recurring funds in the State Housing Trust Fund to be utilized for homeownership assistance in counties and municipalities in the state which have reduced impact fees, anticipate reducing their impact fees, or which impose no impact fees entirely for homeownership purposes.

Leon County applied for the Impact Fee Proviso Funding and staff received notification on March 17, 2009 that Leon County had been awarded $1.5 million by the Florida Housing Board of Directors. The funding has been equally divided for: assisting first-time homebuyers with down payment assistance and closing costs and mortgage modification assistance and closing costs to homeowners in danger of losing their primary residence. Both programs require participants to meet all program criteria prior to assistance being provided. Program funding must be expended by June 30, 2010 and it is anticipated that approximately 200 clients will have been served at the sunset of the program.

Most of the clients served by the County's Housing Services Program, with the exception of the bond program, are low, very low, and occasionally extremely very low income persons residing in the unincorporated area of Leon County. The range and scope of clients served are greatly varied. The sites are scattered in all areas of the unincorporated. The County's overall role in the community is that of a direct service provider as well as acting as a catalyst for community development through its programs and provision of capital.

Other functions of Housing Services include: Fair Housing Administration and staffing of the following citizens committees: Affordable Housing Advisory Committee (AHAC), Community Development Block Grant (CDBG) Citizens Advisory Task Force, and the Housing Finance Authority (HFA).

Fair Housing Administration

Housing Services administers Leon County's Fair Housing Administration Program. It is County policy to promote through fair, orderly, and lawful procedures the opportunity for each person so desiring to obtain housing of such person's choice in Leon County without regard to race, color, ancestry, national origin, religion, sex, familial status, marital status, handicap, age or sexual orientation and profit discrimination in housing by any person. The program is authorized to receive complaints, investigate and utilize methods of persuasion, conciliation and mediation or information adjustment of grievances. In addition, Housing Services' role is to establish, administer, or review programs at the request of the County Administrator and make reports on such programs to the County Administrator.

Staff continues to provide information to the public regarding fair housing by working with the City of Tallahassee's Equal Opportunity Office, Florida Commission on Human Relations and the U.S. Department of Housing and Urban Development providing education and informational seminars throughout the community.

Affordable Housing Advisory Committee
During the March 13, 2008 meeting, the Board approved the enabling legislation to establish the Affordable Housing Advisory Committee. The proposed Ordinance and Enabling Resolution created an 11-member citizens advisory committee to make recommendations to the Board in matters relating to affordable housing. The responsibilities of the AHAC include:

- Identification of incentives that are pertinent to affordable housing and serve as an information resource to help improve affordable housing feasibility.

- Reviewing the established policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan and shall recommend specific actions or initiatives to encourage or facilitate affordable housing.

Community Development Block Grant (CDBG) Citizens Advisory Task Force
The Leon County Housing Finance Authority (HFA) was created in 1980 with the passage of Section 2-74 of the Leon County Code of Laws. The HFA's duties were expanded by the approval of Section 8-154 of the Leon County Code of Laws in 1993. The duties of the HFA were further expanded by the Board of County Commissioners through the appointing of the HFA as the Community Development Block Grant (CDBG) Citizen Advisory Task Force. However, by appointing the HFA as the Citizen Advisory Task Force, the low- to moderate-income community was not represented. On February 19, 2002, the Board approved an increase in the membership of the CDBG Citizens Advisory Task Force from seven to eight by adding one citizen who is in the low-income range.

The responsibilities of the CDBG Citizens Advisory Task Force include:

- Assist with CDBG program planning, implementation, assessment and oversight
- Counsel and advise the Leon County Housing Program regarding funding
- Assist in the development of new programs
- Advocate for citizens by setting up and monitoring a grievance procedure

Housing Finance Authority
The Housing Finance Authority (HFA) consists of seven members and each County Commissioner appoints one member to the HFA. Since its creation, the HFA has issued or joined with other counties to issue single-family mortgage revenue bonds. The objective of the HFA, in issuing single-family mortgage revenue bonds, is to make available low-interest rate mortgage loans, with down payment assistance, to qualified first-time homebuyers. During the May 26, 2009 meeting, the Board approved a Resolution authorizing the Escambia County Housing Finance Authority to issue Single Family Mortgage Revenue Bonds within the boundaries of Leon County. In addition, the Board ratified and approved the Interlocal Agreement authorizing Escambia County Housing Finance Authority to issue Single Family Mortgage Revenue Bonds. As a result of Board action, Leon County has participated 12 times, since 1982, in bond issuances with Escambia County.

In its citizen review capacity, the HFA fulfills role as the housing program's primary advisory body. The HFA also acts as the CDBG Citizen's Advisory Task Force to assist the Leon County

Housing Program in developing and conducting housing programs through the utilization of Community Development Block Grant funds.

Opportunities for Coordination between the City and County

The Joint Housing Element Policy 1.1.1 required the City and County to explore how to better coordinate the services provided by each jurisdiction. Because of the distinct jurisdictional boundaries, both City and County housing staffs commonly refer clients outside their jurisdiction to the other program. The City and County housing staffs have not met regularly for several years. The two jurisdictions have committed to meeting quarterly to share information and compare programs. The first meeting of the new effort was held on October 12, 2009 and was very successful and informative.

The City and County have different housing needs, and different housing programs to address those needs. For example, Leon County assists households that earn up to 120% of the area median income. The City of Tallahassee generally serves households that earn up to 80% of area median income. Leon County offers down payment assistance loans to first time homebuyers that are forgiven after 30 years. In an effort to ensure ongoing funding, especially in light of the lack of SHIP funding provided in the past year, the City's down payment assistance loans require eventual repayment, although they are not repaid until the first mortgage is paid off, the house is sold, rented, or no longer the primary residence. Both the City and County have offered owner-occupied rehabilitation programs; however, mobile homes are not eligible in the City program. Historically in the County, SHIP funds have not been utilized to assist mobile home clients; rather, funding received through the CDBG Housing Rehabilitation program was used to assist clients with mobile homes. Knowing these differences in the programs will help staff to better inform the public of available assistance.

At the Florida Housing Conference in September 2009, representatives from the City and County participated in a workshop encouraging cities and counties to form regional groups to discuss housing issues. Each county in Florida receives SHIP funds when the program is funded by the legislature. In FY 2009-2010, the SHIP program was not funded, but FHOP is a new program that was established by the legislature. The State suggested it would be beneficial for cities and counties to be part of a regional networking group that could discuss questions and solutions for new and existing programs. Both Tallahassee and Leon County agreed to participate in a Big Bend regional group to discuss housing issues. This group would improve coordination of services in the larger area.

Joint Housing Element Policy 1.1.1 also required the two jurisdictions to discuss how to maximize resources. Tallahassee is an entitlement community with the federal government. Through HUD, the City and County could become a consortium (a partnership of two or more local governments), however, there is no guarantee that this would result in more resources to the community. HUD's formulas for entitlement programs are complicated, and not easy to estimate. The formulas are based on population density, and measures of community needs including the extent of poverty, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas. The City would be the lead agency in any consortium because staff has federal grant experience and because the City is already an

entitlement area and the County is not, ensuring that the largest portion of federal funding even under a consortium would be attributable to the City. This would require that the City take the lead in the consortium, which would add more responsibilities to the staff. Since City staff has had its grant funding double because of the new federal programs while no additional staff has been added, it would be difficult to expand jurisdictional boundaries at this time. Furthermore, even if the City and County became a consortium just for the purposes of the HOME program, there is no guarantee that this would result in more funding. It could result in the same amount of funds needing to serve a larger number of clients. The same problem may occur with the SHIP program. SHIP formulas are based on population as a share of the State's population. In a funded SHIP year, Leon County receives an average allocation of $900,000. The City has received an average of $1.4 million per year. Without an in-depth understanding of how the formulas apply, it cannot be determined if a consortium between the City and the County would result in at least $1.75 million. The two governments may be receiving more state funds by remaining autonomous. Both jurisdictions will continue to revisit these opportunities for maximizing resources and other opportunities in the future.

The County is currently in the process of completing and submitting an application for the 2008 CDBG Disaster Recovery funding. In an effort to demonstrate partnerships with local providers of affordable rental housing, the County anticipates establishing a relationship with the City of Tallahassee to spearhead this component of the grant.

The City and County can further maximize resources by keeping each other informed of opportunities for new grant funding. This strategy keeps with the plan to meet more often and maintain better communication. For example, the Florida State University Department of Urban and Regional Planning have several graduate students specializing in housing and community development that have requested internships with the City. The internship is a requirement of the graduate program, and the students understand that the experience they will gain is more important than being paid. The City, the County and the FSU students could benefit from the internships.

In conclusion, better coordination between the Tallahassee Housing Division and the Leon County Housing Services will better serve members of the public requesting information regarding the various types of services each jurisdiction provides. Quarterly meetings will create a forum to discuss programs and strategies. The local governments will continue to explore the idea of a consortium for federal or state grants; but during the current financial situation, neither jurisdiction has the ability to handle additional responsibilities.