



SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS  
EXECUTIVE SUMMARY

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3. The SHIP award allotment is considerably lower as our specifications and home sizes are designed for maximum economy. The award amount includes all construction activities, not just constructing the house (i.e., demolition, septic system, water connection, site clearing, boundary survey, site evaluations, mortgage recording fees, etc.).

4. There is a continual supply and demand problem, causing a burden on homebuilders. The increased demand caused a decreased supply, creating a longer completion time, severely affecting construction costs.

5. Sumter County's LHAP maximum award amount for the program is lower than the surrounding counties; Citrus \$180,000, Lake \$190,000, Ocala \$200,000, Pasco \$200,000, and Orlando \$225,000. The requested increase could help with being comparable to other counties, resulting in attracting other contractors to bid on the projects. There is currently only one contractor bidding on all demolition/reconstruction projects.

6. The homeowners' monthly mortgage payment will remain affordable at \$444.44.

7. The minimum increase will have an estimated budget impact for FY 22/23 of \$60,000.

Staff is requesting to increase the maximum award amount for the Purchase Assistance without Rehab strategy to \$20,000 from \$10,000 based on the following factors:

1. The average down payment to purchase a home is about 5% to 6% of the total purchase price and closing costs are 2% and 6% of the loan amount. An average purchase price of \$248,000 is estimated to require a down payment of \$14,880 and \$4,960 for closing costs.

2. The additional subsidy can assist low-to-moderate income homebuyers with obtaining an affordable monthly mortgage payment and reduce the financial burden of a large out-of-pocket cost at closing.

3. The added support can prevent the homebuyer from having private mortgage insurance (PMI), provide access to lower interest rates and help with being financed by a lender.

4. The homebuyers' second mortgage payment will remain affordable at \$83.33.

5. The minimum increase will have an estimated budget impact for FY 22/23 of \$30,000.

The revision is located in Section II, LHAP Strategies, B. Demolition/Reconstruction and C. Purchase Assistance without Rehabilitation, d. Maximum Award Amount. No informational content in the LHAP was altered otherwise.

Housing Services is requesting approval of the technical revision to the LHAP 2022-2025.

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**ProWritingAid Check**