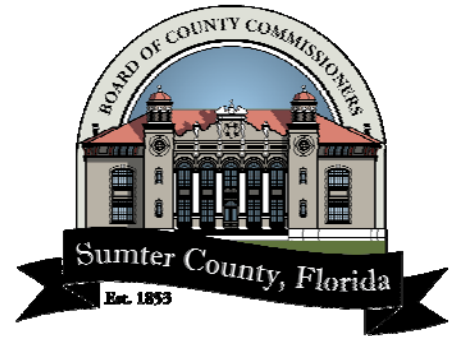


Board of County Commissioners ***Sumter County, Florida***

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Memo

To: Sumter County's Affordable Housing Advisory Committee (AHAC)
From: Denna Lafferty, Housing Coordinator
Date: 7/3/2023
RE: Multifamily Rental Development Local Housing Assistance Plan Strategy

At the April 12, 2023 meeting, the committee requested staff to prepare and present a Local Housing Assistance Plan (LHAP) strategy designed for multifamily rental development. After much research, I created a strategy limited to developers who receive primary financing from Florida Housing Finance Corporation (FHFC) for the development of affordable housing. The main reason for the limitation is a development financed by FHFC is required for annual monitoring to the state, which staff can use for the State Housing Initiatives Partnership (SHIP) annual monitoring. The annual monitoring for SHIP assisted rental units is very time consuming, so by using the state's documentation it will reduce staff's time spent on the task and ensure compliance with all regulations.

The majority of the multifamily programs to construct affordable housing offered by FHFC provides financing on a competitive basis with only a few developments awarded by the state annually. Eligible applicants must apply through FHFC's Request for Applications (RFA) process. FHFC requires a minimum Local Government Contribution (LGC) of \$340,000 as part of the application submittal and financing approval for certain multifamily programs. Due to the competitive process and limited state funding, it could take several application cycles for a project to be financed by FHFC. The county could provide a LGC for an application and not actually provide SHIP assistance due to the failure to obtain state financing.

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In this case, staff would reallocate SHIP funds to ensure compliance with the program expenditure deadlines. The LGC will only be provided through the use of SHIP funding.

The County Administrator or the Chairman of the Board of Sumter County Commissioners will execute FHFC's Local Government Verification of Contribution Loan Form. The county serves as the single, unified point of service for workforce housing services in unincorporated areas of the county and within the cities according to the Interlocal Service Boundary Agreement Article IX Workforce Housing Service Delivery Sub-Agreement. In addition, the county is the recipient of the SHIP funding allocation and the sole administrator of the SHIP program.

Developers/Sponsors will be required to apply through a Request for Qualifications (RFQ) for a SHIP award after the publication of a Notice of Funding Availability (NOFA), with only one developer selected per funding cycle. The determination of assistance for this strategy will be based on the availability of annual SHIP funding received through the state allocation. The county will decide annually if RFQ's will be accepted from developers for this incentive. It will not be a requirement for the county to support a development each year with the implementation of this new strategy. By adding this strategy to the LHAP, it will allow the county to provide SHIP assistance should we chose to do so in the future. No more than 25% of Sumter County's SHIP allocation will be used for rental construction as stated in Florida Statutes § 420.9075 5(b).

The county will not assist with finding suitable land to support a development; this will be the sole responsibility of the developer/sponsor. The strategy will not provide funding for direct rental assistance to tenants as it is strictly designed to support the construction of affordable rental developments.

The most common multifamily competitive programs developers/sponsors will be applying to FHFC are:

- State Apartment Incentive Loan (SAIL) Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits
- Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties
- National Housing Trust Fund (NHTF) Funding For Developments In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits

<https://www.floridahousing.org/programs/developers-multifamily-programs> You may visit <https://flhousing.org/publications/> and review the Guide to Using SHIP for Rental Housing for more information.

As we know, there is a huge demand for affordable workforce housing in the entire State of Florida. The county's stakeholders on the Economic Development Strengths, Weaknesses, Opportunities, and Threats (SWAT) analysis identified the need for workforce housing. The county can see a larger return on our investment by leveraging SHIP funding with state funding for the private/public sector to construct housing with affordable rents for the workforce of the county. The minimum amount of SHIP dollars can assist a multimillion-dollar development being approved for financing by the state to provide workforce housing. It is my recommendation that we add the rental development strategy to the county's LHAP and offer this as a new incentive.