

**AFFORDABLE HOUSING ADVISORY COMMITTEE**

Sumter County, FL

Meeting: July 9, 2009

**Present:** Gary Schick-Citizens First Bank; Brad Burris-Sumter County Fire Rescue; Glen Frazier-Watson/Moffitt Realty; PJ Lewis-Lewis Bros. Construction; Jacquelyn Smith-Homes In Partnership; Virginia Watson-Watson/Moffitt Realty; Matt Yoder-T&D Concrete; Richard Cole-Zoning and Adjustment Board; Hilary Cook-U.S.D.A.; Diana Couillard-Dibarco Building Corporation; Annette McCullough-Community Bank; Kathy Young and Sandie Purvis-Sumter County Housing Department

**Public Attendees:** Deb Barsell-Sumter County Community Services Director

A copy of the public notice for this meeting is on file.

*Call to Order.* The meeting of the A.H.A.C. Committee was called to order at 10:00am by Chairman, Gary Schick.

**First order of business:** *Approval of previous minutes.*

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| A motion to approve the April 9, 2009 minutes was made by Rich Cole and seconded by Diana Couillard; the motion carried unanimously. |
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**Second order of business:** *Sumter County Budget Update to include Down Payment Assistance, the expenditure of Affordable Housing funds and Down Payment Assistance repayment provisions.* Kathy Young began by noting the Housing Department was to receive \$799,000 for the 08/09 year, when in fact only \$710,000 was received. Of the \$710,000 received, approximately \$190,000 remains available. Ms. Young stated the decision was made by the Florida Legislature to discontinue funding for State Housing Initiatives Partnership (SHIP) for the 09/10 year. Copies of the Local Housing Assistance Plan (LHAP) were provided today which include the addition of the new Florida Homebuyer Opportunity Program (FHOP) with the projected allocation of \$350,000. Ms. Young noted no guarantee exists as to when or how much the funding will be. However, the LHAP must be amended to reflect the change and will be based on funding availability. Advertisement and preparations must be in place as the program will be good only through December 1, 2009 when the tax credit ends unless the government extends the deadline. Ms. Young explained the FHOP funds are loaned to the applicant up front; however once the applicant files their income tax and claims the homebuyer credit the loan is paid back. Repayment will be made within 18 months of the loan date or within 10 days after receipt of federal income tax at no interest. Otherwise repayment will be the principal amount of the mortgage in addition to a 10% penalty. Should this occur, the loan plus penalty will be repaid over a 10 year period at no interest. Ms. Young noted a "hardship" option for repayment will exist on a

case by case basis for emergency repair and rental deposit strategies only and will require the approval of the Board of County Commissioners to waive repayment.

In other changes, Ms. Young noted the Down Payment Assistance has been decreased in each income category and will require repayment. Additionally, all other strategies will require repayment as well in the attempt to keep a "flow" of funds available to assist other citizens. All repayments will be paid back at a 0% interest rate over a 10 to 30 year period and will be in the form of a recorded lien on the property, except for Rent Deposits which is an unsecured loan. No new funding is available. Expenditures will be from the \$190,000 left from the 08/09 year.

Diana Couillard questioned whether a means exists for needy individuals with family members that have the capacity to assist them vs. applying for assistance for those without family. Ms. Young indicated requesting that information is not possible without the threat of discrimination.

Ms. Young introduced the Affordable Housing funds Housing Assistance Plan with funds available in the amount of \$466,966. Of that amount, 10% is available for administration fees explaining housing staff has already been reduced by 1 person. Ms. Young continued with a review of the amounts for each strategy with emphasis on the rehabilitation strategy. Ms. Young suggests the possibility of retaining \$250,000 as leverage funds to be used in conjunction with Community Development Block Grant (CDBG) funds which would be an additional \$750,000. In the event CDBG funds are not awarded, the \$250,000 would be spread among the remaining strategies. Housing staff will be applying in the spring for CDBG funds, with award receipt (if any) announced by March or April. The emergency repair strategy was reviewed with a new concept to include mobile homes of any age on a case by case basis. Ms. Young believes repair to a mobile home maintains a family's shelter vs. being homeless because a mobile home did not qualify for other assistance available in Sumter County. Mobile home repair would be on a case by case basis pending the outcome of the building inspector's evaluation of the unit. If the unit is not in a habitable state, then the emergency repair will not be done.

In additional changes, the rent deposit strategy in the SHIP Local Housing Assistance Plan previously assisted Section 8 families only. The revised SHIP strategy and the Affordable Housing Assistance Plan reflect assistance will be available to all families meeting the eligibility guidelines to get into a unit. Rich Cole questioned the need for the rent deposit strategy and feels greater emphasis should be in this area if the demand exists. Ms. Young noted the amounts can be changed accordingly as housing staff receives approximately 20 calls monthly. Repayment will be an unsecured loan payable over 2 years; however recipients will not be eligible for any other strategies unless all funds have been repaid. Ms. Young verified the terminology of "affordable" by statute as no more than 30% of gross income should go towards rent. The rent deposits are restricted to Extremely-low, Very-low and Low Income persons. The

number of affordable rentals is on the rise as landlords come down on the rates, but the renters do not have the security deposits to move in.

Brad Burris questioned whether any criteria exists which must be met by the landlords regarding the condition of rental units. Ms. Young stated they must meet the basic Housing Quality Standards (HQS) per HUD guidelines by certified inspectors. All housing staff members have received their certification. Brad Burris stated he receives periodic phone calls indicating a unit is a "fire trap" in general, but by Florida Statute he does not have jurisdiction in any single family dwellings as he does with multiple family units. Ms. Young stated normal procedure for Section 8 tenants complaining - or noted during inspection - of possible electrical issues within their unit is the Housing Department will require the landlord to obtain a certified inspection report by a licensed electrical contractor. The Housing Department does not have the authority to respond in this manner to the general public. Mr. Burris stated the current process is for the unit to be turned over to the County Code Compliance Department. The resulting problem is the possibility the family may no longer be able to occupy the unit and Sumter County does not have any place to put the displaced family. Ms. Young concurs with emergency housing as being a long standing problem in Sumter County. Rich Cole stated due to the current economy, more emphasis should be placed on the rental strategy to meet the current need, than to home purchase. Mr. Burris concurs with this idea as it could be beneficial to displaced families as well. Discussion ensued regarding the up-front cost to move into a rental unit. The focus of the discussion was directed at the increased cost by the utility companies basing their deposit on the previous occupant's energy usage. It was the consensus of members present to increase the limit of available rental strategy funds from \$750 to a maximum of \$1200 per applicant. Virginia Watson feels the deposit must be balanced in terms of the tenant having some stake in the deposit and not just receiving a lump sum of money. Ms. Watson then questioned the mobile home age limitation on the emergency repair strategy indicating it appears too restrictive if the home has been well cared for. Ms. Couillard indicated her concern for putting money into a mobile home using the example of a leaking roof which then required carpet replacement, the possibility of mold and so forth. Ms. Young indicated the intent of the emergency repair assistance is to stop the situation from getting any worse since no rehabilitation funds are available. Ms. Watson indicated her agreement with Ms. Young concluding having a home without the availability of assistance to repair would ultimately result in "no home" due to deterioration and the mobile home becoming uninhabitable. Ms. Young stated if, upon inspection more than 80% of the residence is in need of repair, the applicant will not be eligible for the emergency repair assistance. Kathy Young reminded members, no SHIP dollars can be spent on mobile homes manufactured before 1994. The new plan will allow emergency repairs to a mobile home on a case by case basis pending the outcome of the building official's inspection; repairs will be secured by a mortgage and a note. Ms. Young stated in the event of the passing of the homeowner there will be an option for the family who meets the income criteria to remain in the home and continue making payments or pay off the loan. The intent is not to burden the recipient or their family members. If the

home is sold, it will be paid back at closing. Gary Schick returned the discussion to the topic at hand concerning the amount of funds members deem appropriate for the rental deposit strategy. Ms. Young indicated housing staff is already familiar with a similar strategy which has been available to Section 8 recipients for many years.

Rich Cole made a motion to adjust the maximum rent deposit not to exceed \$1200 subject to documentation verified by the Sumter County Housing Department. A second was provided by Glenn Frazier and the motion carried unanimously.

Diana Couillard questioned whether a credit check was requested on any of the applicants for down payment assistance. Kathy Young indicated the lenders send a copy to the Housing Department so as not to bring the applicants credit score down by the Housing Department doing their own credit inquiry. However, with the \$8,000 tax credit program, every applicant must have a credit check. In terms of the rent deposits strategy, a credit check is not done as the family only needs minor assistance to get into the unit.

Rich Cole made a motion to approve the first draft of the Affordable Housing Funds including the changes discussed. A second to the motion was provided by Diana Couillard and carried unanimously.

**Third order of business:** *Recapture provisions.* Ms. Young explained Florida Housing Finance Corporation has amended the definition of recaptured funds. Recaptured funds are only for funds that have not been used to assist an eligible applicant. All other funds received by a county for homes that have been sold on a deferred payment mortgage are now considered program funds. The main difference between program funds and recaptured funds is that 5% of program funds may be used for administrative purposes where as all recaptured funds must be used for program funds. Hilary Cook questioned whether any proration of deferred payment mortgages was allowable. Ms. Young responded there is no decrease annually regarding the deferred payment mortgages recently recorded. Other mortgages that have a clause for an annual decrease will be honored. Mrs. Cook also inquired about short sales and if the Housing Department has reduced mortgage balances in reference to these sales. Ms. Young stated there has been no inquiry regarding a loan reduction for short sales and if there are any inquiries in the future a discussion is welcome as long as some of the funds can be retrieved instead of the county receiving no funds at foreclosure. Ms. Young also noted typically in foreclosure and even short sales the homeowner is upside down in the loan and no funds are available for the county to recoup.

**New Business:** *Attendance of AHAC members.* Gary Schick notified members present he received a resignation from Frank Topping from the Affordable Housing Advisory Committee effective immediately. A written copy for the record is on file. Mr. Schick questioned what was required to move an alternate member of the committee to

a voting member. Kathy Young informed members that all new members must be approved in a resolution executed by the BOCC. Nominations within the elected membership are permitted as they have already been through the BOCC approval process. In the case of Mr. Topping, his position was an alternate member for Rich Cole as a Zoning and Adjustment Board (ZAB) member. Any new person who wants to fulfill an alternate position must apply for it, be eligible for appropriate designation and be approved by the BOCC through a resolution. Ms. Young asked that all suggestions be brought to her attention for appropriate action. Rich Cole stated he will be in contact with ZAB members and will relay the results to Ms. Young. Ms. Young noted AHAC member Lena Wasserman has made contact each time she has been unable to attend; however it has been some time since she has attended, and she fulfills the workforce position. Statute requires an individual who represents employers within the jurisdiction for Lena's position. Diana Couillard suggested someone from Sumter Electric Cooperative noting she has had a recent discussion with Jim Duncan and will approach him regarding fulfilling this position. Rich Cole noted his agreement to this suggestion. Ms. Young stated she will contact Lena via email transmission to determine her situation. Rich Cole suggested asking her if she would like to become an alternate member, which would allow a formal vacancy to be available as important material is on the table and a full committee should be on board. Virginia Watson suggested moving forward by filling the alternate position, then proceeding from that point. No further action was required.

Gary Schick requested to see data referencing the number of families that were assisted last year to present from all strategies. Kathy Young noted she can provide a couple of years' worth of statistical data. Virginia Watson questioned whether any foreclosure funds would be available to which Ms. Young indicated Sumter County did not have the numbers required to receive this type of assistance. Ms. Young stated new neighborhood stabilization funds available are reserved for "shovel ready" projects including sewer/water projects assisting neighborhoods. Ms. Young stated the City of Coleman applied for a water project through Florida Housing Finance Corporation. Home rehabilitation would only apply in the event a street or road receiving repair had homes on it that were in need of rehabilitation assistance. No further action was required.

**Old Business:** *None*

**Public Input:** *None*

**Items for next agenda:** *None at the time of this meeting*

**Next Meeting:**

- October 8, 2009 @ 10:00am in Room 142 (as published for public notice)

A motion was made to adjourn the meeting by Rich Cole at 11:07 and a second was provided by Diana Couillard. The motion carried unanimously.

Submitted by: Virginia Watson  
Virginia Watson, Secretary

Approved on the 7 day of October, 2009.

By: Gary Schick  
Gary Schick, Chairperson