

# City of Coconut Creek

## InterOffice Memorandum

**To:** Affordable Housing Advisory Committee

**Date:** September 19, 2016

**From:** W. Scott Stoudenmire, AICP  
Deputy Director of Sustainable Development

**Subject:** Housing Funding Sources &  
Programs  
Agenda Item No. 8

### Overview

The City of Coconut Creek has been providing housing and community development services at the entitlement level since October 2008. Entitlement status, which means the City has a population of at least 50,000 residents, makes the City eligible for formula grant allocations on an annual basis from Federal and State agencies. We currently are eligible for funding under three Federal and State sources dedicated for this purpose: the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships (HOME) Program, and the State Housing Initiatives Partnership (SHIP) Program. Additionally, the City established its own local Affordable Housing Trust Fund in 2006.

### CDBG Program

The CDBG Program is federally-funded through the U.S. Department of Housing and Urban Development (HUD). The Program was designed to assist in the development of viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities for principally low income persons. HUD defines low income as households that do not exceed 80% of the area median income (AMI). The current AMI for Broward County is \$60,900, and it is adjusted for household size to determine the maximum allowable income for households assisted with CDBG dollars. The income guidelines are adjusted annually in December to account for the changes in economic conditions.

The regulations for the CDBG Program also outline eligible activities, which generally include housing activities, public facility improvements, public services, economic development activities, and planning and administration activities necessary to carry out the programs. In accordance with the needs identified in the five-year planning document (the Consolidated Plan) required for the CDBG Program, the City has focused primarily on direct benefit housing activities for our residents, where each household applying for assistance undergoes an income verification process to ensure applicants are eligible for assistance. These direct-benefit housing activities include a minor home repair (MHR) program and a purchase assistance (PA) program. The MHR program is designed to maintain and preserve the City's affordable housing stock by addressing municipal or Florida Building Code violations, health and safety issues, safe building systems, weatherization and energy efficiency improvements, and items that will improve the overall primary structure of a home where there are signs of deterioration. The PA program is available to first-time homebuyers to provide down payment and closing cost assistance up to \$40,000.

We have a limited ability to provide area benefit activities, for example public facility or infrastructure improvements, that are in HUD-designated areas. These areas are defined by a high concentration of low-income households. In Coconut Creek, there are currently eight census tracts that are eligible for area benefit activities. In November of 2012, the City completed an enhancement to Veterans Park under this umbrella, with the addition of a

shade structure to the existing site. This year's action plan includes enhancement to the playground at Cypress Park.

### **HOME Program**

The HOME Program is also federally-funded through the U.S. Department of Housing and Urban Development (HUD); however, the City is only eligible for HOME funding as a participating jurisdiction through the Broward County HOME Consortium. Applicants assisted with HOME dollars must also have an annual income that does not exceed 80% of the AMI. The City's HOME funding has been utilized to support the MHR Program.

### **SHIP Program**

The SHIP Program is a state program administered through the Florida Housing Finance Corporation (FHFC). The Program was designed as an incentive to create partnerships to produce and preserve affordable housing. SHIP income guidelines include moderate income persons, defined as households that do not exceed 120% of the AMI. SHIP regulations emphasize construction and homeownership activities, providing that at least 75% of funds be spent on construction activities and 65% for homeownership activities. The City has funded the MHR and PA programs with its SHIP allocations in order to meet these set aside requirements. SHIP will be funded in the amount of \$135,500,000 state-wide for the FY 16-17. The City's allocation is \$357,958 and will once again be used to fund MHR and PA.

### **Local Affordable Housing Trust Fund**

The City's local Affordable Housing Trust Fund was established in 2006 through an Affordable Housing Impact Fee, which is assessed on all new non-residential development as a means to offset the cost of housing for the local workforce that is generated by non-residential development. What is unique about the programs funded through the local trust is that they are designed to assist an income group that is neglected by the federal and state programs. The local programs are designed to assist moderate and workforce income households – teachers, firefighters, police officers, for example. Workforce income is up to 150% of the AMI. We have offered a purchase assistance program with our trust funds implemented with public private partnership agreements with residential developers to leverage local dollars. All allocated funding for this purchase assistance program has been expended. The last program under the local trust fund umbrella was a sustainable home repair program, which the AHAC recommended for approval to the City Commission its January 23, 2012 meeting. This program was similar to our federally and state funded home repair program but it only covered weatherization, energy and water efficiency improvements. This program was completed in February of 2015.

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