

Condensed Title:

A resolution to provide \$1,009,633 in funding from the SHIP Program for FY 2007/2008 and 2008-09 to fund eligible affordable housing activities in accordance with the SHIP Program Rule and the City's Local Housing Assistance Plan.

Key Intended Outcome Supported:

Increase access to workforce or affordable housing.

Supporting Data (Surveys, Environmental Scan, etc.): Based on the 2007 Customer Satisfaction Survey, affordable housing was a concern for 82% of those surveyed.

Issue:

Shall the City provide \$1,009,633 in SHIP Program funds to assist income eligible households with down-payment assistance, closing costs, rehabilitation, home ownership counseling, and rental housing development in accordance with the SHIP Program requirements.

Item Summary/Recommendation:

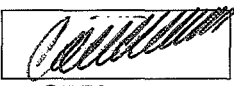
On October 10, 2008, the City issued a SHIP Program Notice of Funding Availability (NOFA) in the amount of \$1,009,633, which represents two SHIP funding years' allocations combined. The SHIP FY 2007/2008 allocation in the amount of \$536,462 includes program income up to June 30, 2008, and excludes the allowable City administration fees. The FY 2007/2008 funds must be committed by the City on or before the State deadline of June 30, 2009. The SHIP FY 2008/2008 allocation in the amount of \$473,171 excludes the City's administration fee and future program income, which is undetermined at this time. Traditionally, program income is approximately \$60,000 per year, and the final amount will be added to the allocation. Unlike previous years' allocations, and due to the widespread foreclosure circumstances, the NOFA for the subject two years' SHIP allocations limited the use of first-time homebuyer funds and related rehabilitation activities to purchase of foreclosed properties.

Only one response was received to the NOFA. Miami Beach Community Development Corporation (MBCDC) was responsive in proposing to utilize the SHIP funds as prescribed for first-time homebuyer activities, including down-payment assistance, closing cost assistance, related rehabilitation, housing counseling, and rental housing development for income-eligible households. At the maximum SHIP subsidy per unit, it is estimated that SHIP funds will assist in the purchase of 17 foreclosed units, including rehabilitation as necessary. The City's Loan Review Committee reviewed MBCDC's proposal and unanimously recommended awarding a contract for the use of the SHIP funds to MBCDC.

Advisory Board Recommendation:

On November 19, 2008 the Loan Review Committee recommended that MBCDC be allocated SHIP Program funds from FY 2007/08 and 2008/09.

Financial Information:


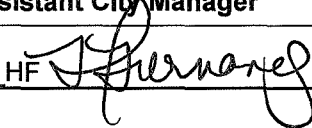
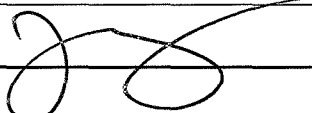
Source of Funds:	Amount	Account	Approved
 OBPI	1	\$536,462 (FY 07/08)	152 - 5717
	2	\$473,171 (FY 08/09)	152 - 5718
	Total	\$1,009,633	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Mark Bertocci

Sign-Offs:

Department Director	Assistant City Manager	City Manager
 AP	 HF	

T:\AGENDA\2009\January 28\Regular\SHIP FY 2007-08 - SUMM.doc





MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: January 28, 2009

SUBJECT: **A RESOLUTION OF THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AUTHORIZING THE MAYOR AND THE CITY CLERK TO EXECUTE A STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM AGREEMENT IN A FORM ACCEPTABLE TO THE CITY ATTORNEY BETWEEN THE CITY AND MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION, WHICH PROVIDES SHIP PROGRAM FUNDS IN THE AMOUNT OF \$1,009,633 FROM FISCAL YEARS 2007/08 and 2008/09 FOR FIRST-TIME HOMEBUYER ACTIVITIES, INCLUDING HOME OWNERSHIP COUNSELING, DOWN-PAYMENT ASSISTANCE, CLOSING COST ASSISTANCE, RELATED REHABILITATION, AND RENTAL HOUSING DEVELOPMENT FOR INCOME-ELIGIBLE HOUSEHOLDS, IN ACCORDANCE WITH THE SHIP PROGRAM RULE AND THE CITY'S LOCAL HOUSING ASSISTANCE PLAN.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The State Housing Initiatives Partnership (SHIP) Program, administered through the Florida Housing Finance Corporation, was established by the 1992 William E. Sadowski Affordable Housing Act to stimulate the production of housing statewide. SHIP Program funds are derived from documentary stamp levies on real estate transactions. Annually, the Florida Housing Finance Corporation allocates SHIP Program funds among participating jurisdictions on a formula basis. The City has participated in the SHIP Program since fiscal year 1995/96. As required by the Florida Housing Finance Corporation, on April 14, 2004, the City adopted a Local Housing Assistance Plan (LHAP), which serves as the guideline to utilize SHIP Program funds. The LHAP is amended as needed to address changing needs and strategies. The most recent LHAP amendment was approved on September 10, 2008.

The City received a total of \$536,462 of SHIP Program funds for fiscal year 2007/08, inclusive of program income, and excluding the City's administration fees. The allocation for fiscal year 2008/09 was \$473,171, excluding program income, and excluding the City's administration fees. Program income is defined as proceeds derived from interest earned on or investment of the local housing distribution and other funds deposited into the local housing assistance trust fund, proceeds from loan repayments, recaptured funds, and all other income derived from use of funds deposited in the local housing assistance trust fund. Annually, program income results in approximately \$60,000.

According to SHIP Program regulations, ten percent (10%) of each fiscal year's allocation may be retained by the City for its administration. Additionally, the City may retain five percent (5%) of any program income collected towards administrative costs.

The combined SHIP Program funding of \$1,009,633 for fiscal years 2007/08 and 2008/09 was advertised in a Notice of Funding Availability (NOFA) on October 5, 2008 and on October 9, 2008, in the Miami Herald. The NOFA was also e-mailed to approximately twenty-five Miami-Dade affordable housing organizations and developers (for-profit and non-profit). It was clarified that applicants do not have to have offices in Miami Beach. The NOFA sought an experienced housing provider with a proven track record in administering affordable housing funds. Responses to the NOFA were due on November 14, 2008. A pre-bid conference was held on October 29, 2008. Six different entities were represented at the pre-bid conference. The City received only one proposal, which was from the Miami Beach Community Development Corporation (MBCDC). The proposal was deemed responsive to the NOFA. The Loan Review Committee reviewed MBCDC's proposal and, at a duly noticed meeting on November 19, 2008, unanimously recommended that the City allocate the subject funding to MBCDC.

Of the allowable uses of SHIP Program funds, the City of Miami Beach's current SHIP Local Housing Assistance Plan (LHAP) which covers Fiscal Years 2007 - 2010 limits its strategies to:

- A. Housing rehabilitation for first time home buyers or owner-occupied housing;
- B. New construction;
- C. Closing costs and down payment assistance for first-time homebuyers for purchase of scattered sites;
- D. Rehabilitation of multi-family buildings for condominium conversion;
- E. Rental housing development (defined as rehab of units in vacant multi-unit buildings);
- F. Acquisition/Rehabilitation for Workforce Housing.
- G. Pre- and post home-ownership counseling

In accordance with the City's Local Housing Assistance Plan, the SHIP Program funds will be used to provide first-time homebuyer activities, including home ownership counseling, down-payment assistance, closing cost assistance, related rehabilitation, and rental housing development for income-eligible households, in accordance with the SHIP program rule and with the City's LHAP. Additionally, in light of the widespread foreclosure problem in South Florida, the allowable activities will be limited to foreclosed properties (as was required in the NOFA). Given the maximum per unit subsidies of the City's SHIP program, it estimated that 17 foreclosed units may be purchased with the SHIP funds and 7 units rehabilitated, exclusive of any leveraging from other funding sources.

SHIP Funds will assist households for home-buying and renting with annual earnings at or below three percentiles of area median income: 50%, 80% and 120%. In addition, MBCDC will provide home ownership counseling to approximately 60 income-eligible participants.

The award amount of the allocation subject to this NOFA was \$1,009,653, exclusive of any additional program income to be collected in the current year. MBCDC, as the sub-recipient/sponsor of this funding award is allowed to keep as administrative fees 10% of the costs of rehabilitation projects it undertakes and 1/2 of 1% of the cost of acquired units.

SHIP deadlines for allocation of funding require that the FY 2007/2008 funding be committed by June 30, 2009.

CONCLUSION

The Administration recommends that the Mayor and City Commission of the City of Miami Beach, Florida, adopt a resolution authorizing the Mayor and City Clerk to execute a State Housing Initiatives Partnership (SHIP) Program Agreement in a form acceptable to the City Attorney between the City and Miami Beach Community Development Corporation (MBCDC), which provides SHIP Program funds in the amount of \$1,009,633 from fiscal years 2007/08 and 2008/09 providing first-time homebuyer activities, including home ownership counseling, down-payment assistance, closing cost assistance, related rehabilitation, and rental housing development for income-eligible households, in accordance with the SHIP Program Rule and the City's Local Housing Assistance Plan.

JMG/HF/AP/mb

T:\AGENDA\2009\January 28\Regular\SHIP FY 2007-08 - MEMO.doc

RESOLUTION NUMBER _____

A RESOLUTION OF THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AUTHORIZING THE MAYOR AND THE CITY CLERK TO EXECUTE A STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM AGREEMENT, IN A FORM ACCEPTABLE TO THE CITY MANAGER AND CITY ATTORNEY, BETWEEN THE CITY AND MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION, WHICH PROVIDES SHIP PROGRAM FUNDS, IN THE AMOUNT OF \$1,009,633 FROM FISCAL YEARS 2007/08 and 2008/09, PROVIDING FOR FIRST-TIME HOMEBUYER ACTIVITIES, INCLUDING HOME OWNERSHIP COUNSELING, DOWN-PAYMENT ASSISTANCE, CLOSING COST ASSISTANCE, RELATED REHABILITATION, AND RENTAL HOUSING DEVELOPMENT FOR INCOME- ELIGIBLE HOUSEHOLDS, IN ACCORDANCE WITH THE SHIP PROGRAM RULE AND THE CITY'S LOCAL HOUSING ASSISTANCE PLAN.

WHEREAS, the State of Florida enacted the William E. Sadowski Affordable Housing Act (the Act) on July 7, 1992, allocating a portion of new and existing documentary stamp taxes on deeds to local governments to stimulate the production of housing through the State Housing Initiatives Partnership (SHIP) Program; and

WHEREAS, the Act requires that in order to qualify for funding, local governments develop a Local Housing Assistance Plan outlining how the funds will be used; and

WHEREAS, the City issued a Notice of Funding Availability (NOFA) on October 10, 2008, pursuant to the City's approved Local Housing Assistance Plan; and

WHEREAS, the only response to the NOFA was from Miami Beach Community Development Corporation (MBCDC), which was found to be qualified for allocation of said funding; and

WHEREAS, at its meeting on November 19, 2008, the Loan Review Committee recommended awarding SHIP funding to MBCDC; and

WHEREAS, MBCDC will utilize SHIP funding from Fiscal Year (FY) 2007/2008 and 2008/09, in the amount of \$1,009,633, plus applicable program income, to fund eligible SHIP activities for income-eligible households, providing first-time homebuyer activities including home ownership counseling, down-payment assistance, closing cost assistance, related rehabilitation, and rental housing development for income-eligible households, in accordance with the SHIP Program Rule, the City's Local Housing Assistance Plan; and pursuant to the City's NOFA.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve and authorize the Mayor and City Clerk to execute a State Housing Initiatives Partnership (SHIP) Program Agreement, in a form acceptable to the City Manager and City Attorney, between the City and MBCDC providing SHIP Program funds, in the amount of \$1,009,633, from Fiscal Years 2007/08 and 2008/09 providing first-time homebuyer activities, including home ownership counseling, down-payment assistance, closing cost assistance, related rehabilitation, and rental housing development for income-eligible households, in accordance with the SHIP Program Rule and the City's Local Housing Assistance Plan.

Passed and adopted this _____ day of _____, 2009.

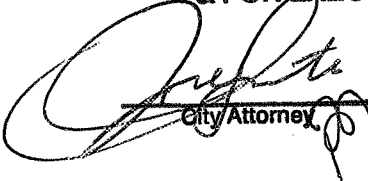
MAYOR

ATTEST:

CITY CLERK

T:\AGENDA\2009\January 28\Regular\SHIP FY 2007-08 - RESO.doc

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney

1/22/09
Date

THIS PAGE INTENTIONALLY LEFT BLANK