

ST. PETERSBURG CITY COUNCIL

Meeting of May 21, 2020

TO: The Honorable Ed Montanari, Chair, and Members of City Council

SUBJECT: A resolution authorizing the Mayor or his designee to accept additional State Housing Initiative Partnership (“SHIP”) Program funding in the amount of \$88,635 resulting from the Florida Housing Finance Corporation (“FHFC”) release of disaster recovery funding to respond to the Coronavirus (“COVID-19”) pandemic needs of the local governments; approving a supplemental appropriation in the amount of \$88,635 from the increase in the unappropriated balance of the Local Housing Assistance Fund (1019); resulting from additional revenue to be received during FY 2019/2020, to the Housing and Community Development Department, Administration Division (082-1089); authorizing the Mayor or his designee to accept the additional funding from the Florida Housing Finance Corporation (“FHFC”); and providing an effective date.

EXPLANATION: The State Housing Initiatives Partnership (“SHIP”) Program was created through the William E. Sadowski Affordable Housing Act, pursuant to Chapter 420.907 – 420.9079, Florida Statutes (“Act”), for the purpose of providing assistance through the transfer of funds from documentary stamps generated from the sale of residential properties to the Florida Housing Finance Corporation (“FHFC”) for use by local governments in implementing SHIP Programs to produce and preserve affordable housing. During the 2019 regular session, the Florida Legislature allocated \$46,560,000 in SHIP funds for distribution to local governments to continue to implement their SHIP Program, providing affordable housing opportunities to residents of the City of St. Petersburg.

To receive SHIP funds from the State, eligible municipalities must develop affordable housing strategies (“Strategies”) and must submit a SHIP Local Housing Assistance Plan (“Plan”) a minimum of every three years to the FHFC to be eligible to receive funding. City Council approved Resolution Number 2019-368 on July 18, 2019 to accept an allocation of \$378,209 in from the FHFC and budgeted the funds to address strategies in its Local Housing Assistance Plan to assist eligible applicants during implementation of its FY 2019/2020 SHIP Program.

The FHFC has released its FY 2019/20 yearly disaster recovery allocation totaling \$5,000,000 due to the Coronavirus (“COVID-19”) pandemic to enable the local governments to assist households impacted by COVID-19. As a result, the City is scheduled to receive an additional \$88,635 in SHIP funding, where SHIP allows that 10% (\$8,863) of the allocation may be used for administrative costs, leaving \$79,772 that Administration has directed to be utilized to provide temporary mortgage/utility assistance under the City’s approved Local Housing Assistance Plan (“LHAP”) Disaster Assistance Strategy which will be added to \$100,000 of the FY 2019/20 SHIP funding for a total of \$179,772 during the declaration of emergency. Once the declaration of emergency has expired, the use of SHIP funding for temporary mortgage/utility assistance is no longer an eligible activity.

RECOMMENDATION: A resolution authorizing the Mayor or his designee to accept additional State Housing Initiative Partnership (“SHIP”) Program funding in the amount of \$88,635 resulting from the Florida Housing Finance Corporation (“FHFC”) release of disaster recovery funding to respond to the Coronavirus (“COVID-19”) pandemic needs of the local community; approving a supplemental appropriation in the amount of \$88,635 from the increase in the unappropriated balance

of the Local Housing Assistance Fund (1019); resulting from additional revenue to be received during FY 2019/2020, to the Housing and Community Development Department, Administration Division (082-1089); authorizing the Mayor or his designee to accept the additional funding from the Florida Housing Finance Corporation (“FHFC”); and providing an effective date.

COST/FUNDING/ASSESSMENT INFORMATION: Revenues of \$88,635 will be received from Florida Housing Finance Corporation (“FHFC”). Funds will be available after the approval of a supplemental appropriation in the amount of \$88,635 from the increase in the unappropriated fund balance of the Local Housing Assistance Fund (1019), resulting from these additional revenues, to the Housing and Community Development Department, Administration Division (082-1089).

Attachments: Resolution
Temporary Mortgage/Utility Guidelines

APPROVALS:

Administration: _____ Robert Gerdes _____ Budget: _____  _____

Resolution No. 2020 - _____

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ACCEPT ADDITIONAL STATE HOUSING INITIATIVE PARTNERSHIP (“SHIP”) PROGRAM FUNDING IN THE AMOUNT OF \$88,635 RESULTING FROM THE FLORIDA HOUSING FINANCE CORPORATION (“FHFC”) RELEASE OF DISASTER RECOVERY FUNDING TO RESPOND TO THE CORONAVIRUS (“COVID-19”) PANDEMIC NEEDS OF THE LOCAL GOVERNMENTS; APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$88,635 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE LOCAL HOUSING ASSISTANCE FUND (1019); RESULTING FROM ADDITIONAL REVENUE TO BE RECEIVED DURING FY 2019/2020, TO THE HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, ADMINISTRATION DIVISION (082-1089); AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ACCEPT THE ADDITIONAL FUNDING FROM THE FLORIDA HOUSING FINANCE CORPORATION (“FHFC”); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the State Housing Initiatives Partnership (“SHIP”) Program was created through the William E. Sadowski Affordable Housing Act, Chapter 420.907 – 420.9079, Florida Statutes (“Act”); and

WHEREAS, the State of Florida transfers documentary stamp revenues to the Florida Housing Finance Corporation (“FHFC”) and local governments for use in implementing programs to produce and preserve affordable housing; and

WHEREAS, the Florida Legislature allocated \$46,560,000 to the SHIP Program; and

WHEREAS, the City approved Resolution Number 2019-368 on July 18, 2019 to accept \$378,209 in FY 2019/20 funding to budget activities for its SHIP Program; and

WHEREAS, FHFC has released its FY 2019/20 yearly disaster recovery allocation totaling \$5,000,000 due to the Coronavirus (“COVID-19”) pandemic to enable the local governments to assist households impacted by COVID-19; and

WHEREAS, The City has been allocated an additional \$88,635 in SHIP funding from the Florida Housing Finance Corporation (“FHFC”); and

WHEREAS, SHIP allows that 10% (\$8,863) of the allocation may be used for administrative costs, leaving \$79,772 that Administration has directed the funding to be utilized to provide temporary mortgage/utility assistance to assist households impacted by COVID-19 under

the City’s approved Local Housing Assistance Plan (“LHAP”) Disaster Assistance Strategy which will be added to \$100,000 of the FY 2019/20 SHIP funding for a total of \$179,772; and

WHEREAS, once the declaration of emergency has expired, the use of SHIP funding for temporary mortgage/utility assistance is no longer an eligible activity; and

NOW THEREFORE, BE IT RESOLVED, a resolution authorizing the Mayor or his designee to accept additional State Housing Initiative Partnership (“SHIP”) Program funding in the amount of \$88,635 resulting from the Florida Housing Finance Corporation (“FHFC”) release of disaster recovery funding to respond to the Coronavirus (“COVID-19”) pandemic needs of the local governments; and

BE IT FURTHER RESOLVED that there is hereby approved for the increase in the unappropriated fund balance of the Local Housing Assistance Fund (1019); resulting from these additional revenues, the following supplemental appropriations for FY 2020;

<u>Local Housing Assistance Fund (1019)</u> Housing and Community Development Department, Administration Division (082-1089)	\$88,635
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BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to accept the additional funding from the Florida Housing Finance Corporation (“FHFC”).

This Resolution shall become effective immediately upon its adoption.

Approvals:

Legal: /s/Bradley Tennant Administration: Robert Gerdes

Legal: 00507739.doc v3



CITY OF ST. PETERSBURG
 Housing and Community Development Department

**Mortgage Payment Assistance Grant Program
 Guidelines**

PURPOSE: The **Mortgage Payment Assistance Grant Program** provides financial assistance to eligible homeowners who are currently unemployed or underemployed as a result of **COVID-19** and have fallen past due with mortgage and utility payments and/or are in jeopardy of future payment delinquency due to lost or diminished income.

FUND SOURCE: State Housing Initiatives Partnership (**SHIP**)
 Community Development Block Grant (**CDBG**)

CDBG and **SHIP**, in compliance with 24 CFR 570.207(b)(4), provides “emergency grant payments made over a period of up to three (consecutive) months (paid directly) to the provider of such items or services (...rent or mortgage) and utilities¹ on behalf of an individual or family.”

ELIGIBILITY: The total household income* of an individual or family cannot exceed 80% of the Area Median Income (AMI)** for the St. Petersburg/Tampa/Clearwater geographic area as adjusted for household size.

*HH Size	80% AMI**	HH Size	80% AMI
1	39,400	5	60,750
2	45,000	6	65,250
3	50,650	7	69,750
4	56,250	8	74,250

UNDERWRITING: On March 27,2020, the President signed the CARES ACT into law which, among other things, provides broad relief for mortgage loan borrowers. Under the provisions of the CARES ACT, CDBG and SHIP rules and regulations, the City created the **Mortgage Payment Assistance Grant Program** that provides emergency grant funding for its citizens who have been negatively impacted by COVID-19; preventing them from maintaining current mortgage and utility payments. The City’s responsibility is to ensure that the emergency grant is provided to those homeowners who cannot, by any other means, meet their mortgage or utility payment obligations due to temporary unemployment or health conditions caused by the pandemic

¹ Water, Garbage, Sewer, Electric & Communication Services

The emergency grant will not be funded if:

- 1) mortgage payments were delinquent prior to April 1, 2020
- 2) mortgage or utility payments are delinquent for any reason other than from the results of COVID-19
- 3) the homeowner(s)'s mortgage payment was more than 90 days late during 2019
- 4) are obligated to the City for any lien or assessment
- 5) an IRS lien or judgment is active
- 6) mortgage payments are currently delinquent more than 90 days and the homeowner cannot show means to bring and maintain current payments moving forward
- 7) the homeowner is currently in a mortgage forbearance agreement with the primary lender

PRIORITY:

Consideration will be given to homeowners on a first-come-first-qualified basis with priority granted homeowners:

- 1) who previously received assistance through the city's **Purchase Assistance Program** as a first-time home buyer
- 2) whose total household income is at or below 50% AMI
- 3) who are of special needs or have a household member with special needs

PROPERTY:

Single Family Residential (SFR) must be

- 1) be located within the city of St. Petersburg municipal boundaries
- 2) occupied as the principal homestead residence of the homeowner
- 3) valued at less than 90% of the average sales price established within the Clearwater-Tampa-St. Petersburg geographic area (\$294,601)

ASSISTANCE:

The Grant Program provides direct payment funding available in a total amount not to exceed \$8,000 for payment of no more than three consecutive months mortgage payments and three consecutive months utility payments paid directly to the first mortgage lender and the electricity, water, garbage and sewer service provider.

UNDERWRITING:

Determination of Income eligibility will be underwritten in accordance with HUD's Handbook 4350.3 Chapter 5, 24 CFR92.203 (a)(1) and/or by (2) 24 CFR92.64(a): §92.203(a)(1)(ii) waiver that permits self-certification with a minimum of two months source documentation in lieu of standard source documentation requirements to determine eligibility. In most cases all source documentation will be required given the risk of possible future audit.

- 1) Applicants requiring emergency assistance related to COVID-19 may not have documentation that accurately reflects projected or anticipated income and would not qualify for assistance if the current mechanism of calculating income were to apply
- 2) The waiver to accept self-certification applies to those who have diminished or no income due to loss of employment either temporarily or permanently. However, all income must be taken into consideration and verified including unemployment compensation, emergency benefits and all sources of income that may apply excluding the MAPG grant.
- 3) This waiver remains in effect until December 31, 2020. Income review is required within 90 days after the waiver period and must be documented in file no later than March 31, 2021. To ensure eligibility, applicants will be assisted month to month for a period not to exceed three months. At each interval of

funding, income will be documented and re-calculated based on self-certification or by standard practice on a case-by-case basis

- 4) Applicant must complete a Self-Certification Form and take an Oath of Affirmation. The Self Certification form does not have to be acknowledged by the city.
- 5) If there is any doubt that the applicant's income may exceed 80% AMI, at the time of application or after the 90-day review of income, then the waiver would not apply and full compliance with HUD's rule for verifying income would apply.
- 6) Alternate documentation is considered "third party verification" and is an acceptable source of income verification.
- 7) Income Certification of Income, Award Letter and other documents requiring signature can be mailed, scanned to applicant via e-mail, electronic signature acceptable with confirmation. (additional clarification necessary)
- 8) Applicants are not eligible for the Mortgage Payment Assistance Grant if assisted with payment of mortgage or utilities from another source.

**APPLICATION
DOCUMENTATION:**

The following documentation should be submitted to complete the **Mortgage Payment Assistance Grant Program** application unless a **Self-Certification of Income**, which limits source documentation, is under consideration:

- 1) Application signed by all adult household occupants
- 2) Budget worksheet and hardship disclosure
- 3) Photo identification of all adult household occupants
- 4) Birth certificates of all household occupants under the age of 18
- 5) Copies of 60 days' pay-stubs for all working adult household members
- 6) Most recent P & L or IRS Schedule C for all self-employed members of the household
- 7) Two months checking and account statements from all adult household members
- 8) Current savings account and other asset account statements
- 9) Evidence of child support
- 10) Mortgage loan statement, loan account number, payment history and lenders contact information including telephone number
- 11) Sixty days pay-stubs reflecting year-to-date income
- 12) Utility account statements (water, garbage, sewer, electric)
- 13) Evidence of loss of employment or diminished income
- 14) Contact information for all family members or others who provide financial support to the household
- 15) Evidence of unemployment compensation and/or other sources of income

**CLOSING
DOCUMENTATION:**

The following documents are required to provide funding the **Mortgage Payment Assistance Grant Program**:

- 1) Statement of Understanding Form including Duplication of Benefits
 - a. A Statement of Understanding is a legally binding document that references all rules and regulations that a person or parties must follow while initiating any kind of transaction or deal, using any service.
 - b. Duplication of Benefit Statement refers to subsequent federal benefits or charitable donations received by a beneficiary recipient of SHIP and/or CDBG funds in connection with COVID-19
- 2) Self-Certification of Zero Income and Questionnaire
- 3) Verifiable Self-Certification of Income

- a. A beneficiary's affirmed statement of income at the time of assistance when the standard method of third-party verification cannot be documented. This approach to income documentation can put the activity at possible risk if the beneficiary is later audited and determined over the applicable income limit.
- 4) *Income Certification
 - a. Anticipated or projected income based on third-party verification including accepted alternate documentation for employment, public assistance, Social Security, child support, military pay, VA benefits, unemployment, pension/annuity, self-employment, zero income and asset income.
- 5) Award Letter
 - a. Defines amount and conditions of the Program Grant
- 6) Income Contribution Form
 - a. Verification of income derived from contribution by family members or others who provide cash payment to the applicant's household.
 - b. Contribution income is not considered if payment is made directly to purchase groceries, transportation, personal care, etc.
- 7) Project Set-up
- 8) Check Request
 - a. Including Purchase Order Number



CARES Act Funding

SHIP Disaster Funding

City Council Meeting
May 21, 2020

Acceptance and Appropriation Funding



- Community Development Block Grant Coronavirus (CDBG-CV) \$1,100,945
- Emergency Solutions Grant Coronavirus (ESG-CV) \$539,562
- State Housing Initiatives Partnership (SHIP) Program Disaster Funding \$88,635



Emergency Rental/Utility Assistance

- Administration has elected to contract with the following agencies to assist those with the greatest need utilizing ESG-CV funding:
 - Catholic Charities - \$242,803 direct assistance
 - Catholic Charities - \$19,478 program delivery costs
 - Boley Centers - \$242,803 direct assistance
 - Boley Centers - \$19,478 program delivery costs



Administrative Funding



- Under each grant, the City is entitled to administrative dollars in order to implement/oversee the grants.
 - CDBG-CV: 20% of \$1,100,945 is \$220,189
 - \$202,575 will be retained for City grant oversight
 - \$17,614 will be divided evenly between Catholic Charities and Boley Centers for program delivery
 - ESG-CV: 10% of \$539,562 is \$53,956
 - \$15,000 will be retained for City grant oversight
 - \$38,956 will be divided evenly between Catholic Charities and Boley Centers for program delivery
 - SHIP Disaster: 10% of \$88,635 is \$8,863 for City grant oversight



Notice of Funding Availability (NOFA)



- A NOFA was placed in the Tampa Bay Times on May 6th for the CDBG-CV funding
- \$400,000 will be used for temporary mortgage/utility assistance
- \$117,614 will be used for emergency rent/utility assistance
- \$380,756 is available for non-profits to apply for projects to prevent, prepare for and respond to COVID-19
- Applications received for proposed projects will be brought forward to City Council on June 11th



Questions

