

*Housing and Community Development*

**Proposed Changes to the  
Local Housing Assistance Plan  
(LHAP)**

**August 20, 2019**



# Presentation Outline

- **Background**
- **Current Housing Strategies**
- **Proposed Revisions**
- **Action Requested**



# Presentation Outline

- **Background**
- Current Housing Strategies
- Proposed Revisions
- Action Requested



# Background

- **Local Housing Assistance Plan (LHAP) is a requirement for funding under the State Housing Initiatives Partnership (SHIP) Program**
- **LHAP identifies affordable housing strategies for very low, low and moderate income households**
- **A three-year plan that must be adopted by a resolution; last Plan approved in 2018**



# Background

## ▪ State Housing Initiatives Partnership (SHIP)

### Program Goals:

- Expand production of affordable housing
- Preserve existing stock of affordable housing
- Partner with public and private entities to promote affordable housing



# Background

- **The State Housing Initiatives Partnership (SHIP) Program is funded by:**
  - Documentary stamp revenue
  - State Housing Trust Fund
- **A primary funding source for affordable housing programs at the state and local levels**
- **Orange County has been a recipient of SHIP funding since 1994**



# Background

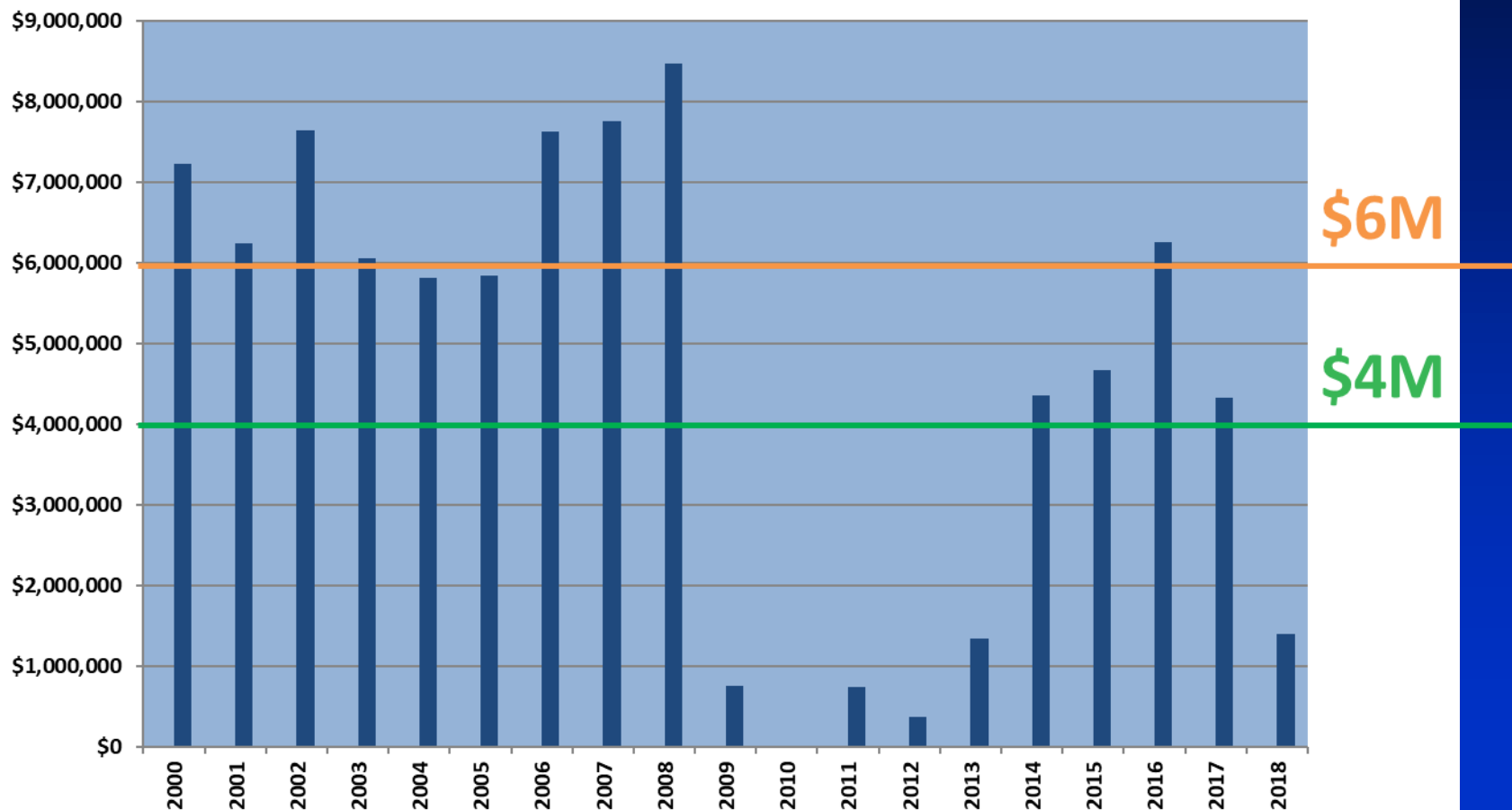
## State Housing Initiatives Partnership (SHIP) Program Recent Allocations

Program Year	Ship Allocation
2016-2017	\$6,456,319
2017-2018	\$5,090,415
2018-2019	\$1,387,592
2019-2020	\$1,475,140



# Background

## Orange County SHIP Allocation







# Background

## ▪ SHIP Program – set-aside requirements:

### 1. Activities

- 65% of funds – designated for homeownership
- 75% of funds – used for construction or rehabilitation activities

### 2. Target population

- 60% of funds – for very low and low income households
- 20% of funds – for individuals with special needs



# Background

## State Housing Initiatives Partnership (SHIP) Program Income Limits

Household Size	Very Low Income (50% of AMI)	Low Income (80% of AMI)	Moderate Income (120% of AMI)
1	\$24,300	\$38,850	\$58,320
2	\$27,800	\$44,400	\$66,720
3	\$31,250	\$49,950	\$75,000
4	<b>\$34,700</b>	<b>\$55,500</b>	<b>\$83,280</b>

*Note: Effective on April 24, 2019*



# Presentation Outline

- Background
- **Current Housing Strategies**
- Proposed Revisions
- Action Requested



# Current Housing Strategies

- **Down Payment Assistance**
- **Owner-Occupied Housing Rehabilitation**
- **Rental Multi-Family – Construction and Rehabilitation**
- **Impact Fee Assistance**



# Current Housing Strategies

- Down Payment Assistance (DPA) Program

- Maximum award available – varies by income level and household size

Income Level	Max Assistance
Very Low	\$30,000
Low	\$20,000
Moderate	\$10,000



# Current Housing Strategies

## ▪ Down Payment Assistance (DPA) Program

Fiscal Year	Households Assisted	Total Funds Spent
2014-2015	154	\$2.5M
2015-2016	150	\$2.5M
2016-2017	161	\$2.7M
2017-2018	143	\$2.5M



# Current Housing Strategies

- Owner-Occupied Housing Rehabilitation
  - Available to qualified very low-income applicants
  - Households with special needs
  - Assistance up to \$75,000
  - Loans are deferred and forgiven

Assistance Level	Loan Terms
\$10,000 or Less	Grant
\$10,001 to \$19,999	5 Year Loan
\$20,000 to \$75,000	15 Year Loan



# Current Housing Strategies

## ▪ Owner-Occupied Housing Rehabilitation\*

Fiscal Year	Minor Repairs	Major Repairs	Total Projects	Total Funds Spent
2014-2015	16	42	58	\$2.4M
2015-2016	17	40	57	\$2.2M
2016-2017	24	51	75	\$3.3M
2017-2018	57	43	100	\$2.6M
Current FY	38	36	74	\$2.3M

*Note: The program is funded with CDBG, HOME (federal) and SHIP dollars.*





# Current Housing Strategies

## ▪ Rental Multi-Family – Construction and Rehabilitation

–Applies to developers offering housing for families at 60% of AMI

–Process:

- Tax Credit Projects: local government contribution
- Partnerships with developers to provide funding for acquisition, rehabilitation, or new construction (RFA)



# Current Housing Strategies

## ▪ Impact Fee Assistance – Single-Family Construction

- Maximum subsidy per unit – \$15,000
- Subsidy amount varies by income level

Income Level	Current Subsidy
Very Low	100%
Low	75%
Moderate	0%



# Current Housing Strategies

- Impact Fees – Current Fee Schedule (05/01/2019)
  - Single Family Detached – \$15,094
  - Multi Family – \$9,937
- Includes: Transportation, Law Enforcement, School, Fire, and Park & Recreation impact fees



# Current Housing Strategies

## ▪ Impact Fee Assistance – Multi-Family Construction

- Applies to developers offering housing for families at 60% of AMI
- 25% of a total impact fee amount to be reimbursed
- Maximum subsidy per unit – \$5,000
- 15-year loan term (deferred and forgiven)



# Presentation Outline

- Background
- Current Housing Strategies
- **Proposed Revisions**
- Action Requested



# Proposed Revisions

- Down Payment Assistance (DPA) Program
  - Maximum award available – increase at every level

Income Level	Max Assistance	Proposed Changes
Very Low	\$30,000	\$35,000
Low	\$20,000	\$25,000
Moderate	\$10,000	\$15,000



# Proposed Revisions

## ▪ Impact Fee Assistance – Single-Family Construction

- Maximum subsidy per unit – \$15,000
- Introduce subsidy at the moderate income level

Income Level	Current Subsidy	Proposed Changes
Very Low	100%	same
Low	75%	same
Moderate	0%	50%



## Proposed Revisions

- **Delegate authority to the Housing and Community Development Division Manager to execute routine subordinations and SHIP program mortgage satisfactions.**





## Proposed Revisions

- The proposed changes have been reviewed by the Affordable Housing Advisory Board (AHAB)
- The Resolution has been reviewed by the County Attorney's Office



# Presentation Outline

- Background
- Current Housing Strategies
- Proposed Revisions
- **Action requested**



## **Action Requested**

- **Approval and execution of Resolution of the Orange County Board of County Commissioners regarding Orange County Local Housing Assistance Plan under the State Housing Initiatives Partnership Program for State Fiscal Years 2018-2019, 2019-2020, and 2020-2021.  
All Districts**