Legislation Details (With Text)

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File created:	3/22/2021	**In control:**	City Commission
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Title:	Request for approval to expend no more than $30,000.00 in State of Florida Finance Corporation SHIP funds for an Owner Occupied Repair project - Ron A. Paradise, Director Planning and Development Services (386) 878-8610. Strategic Goal: Create high-quality housing opportunities.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Proposal		

Date	Ver.	Action By	Action	Result
4/5/2021	1	City Commission	failed	
4/5/2021	1	City Commission	failed	Fail

TO: Mayor and Commission **AGENDA DATE:** 4/5/2021

FROM: John A. Peters, III, PE, Acting City Manager **AGENDA ITEM:** 8 - E

SUBJECT:
Request for approval to expend no more than $30,000.00 in State of Florida Finance Corporation SHIP funds for an Owner Occupied Repair project - Ron A. Paradise, Director Planning and Development Services (386) 878-8610.

Strategic Goal: Create high-quality housing opportunities.

LOCATION:
N/A

BACKGROUND:
The City is an entitlement community and receives funds from the State Florida Housing Finance Corporation under the Strategic Housing Initiatives Partnership (SHIP) program. The City operates a State approved program known as owner occupied rehabilitation (OOR). As the title implies, the OOR program rehabilitates the homes of qualifying residents within the City. This program helps address years of deferred maintenance for income qualified homeowners. Benefits of the program include allowing people to stay in place and improvement of the housing stock within the City.

As is can be expected, the escalating costs of construction, including labor and materials, has increased the price of performing owner occupied rehabilitation projects. The dwelling needs a new roof and a new HVAC system - both expensive repairs. For more information see attached the

rehabilitation proposal from Parthy Construction.

The total estimate for the work is for $26,650.00. The estimate exceeds the $25,000 spending limit which requires the project being advanced to the Commission for review and approval. However, as is common with construction jobs, there can be change orders resulting in greater costs. An example is roof deck damage. There is a probability there could be more deck damage than the estimate allowance of four sheets of plywood decking. Therefore, staff is requesting the City Commission authorize no more than $30,000.00 be spent on the rehabilitation project. The approval of the $30,000.00 represents the original estimated price of $26,650.00 and a contingency. However, expenditure of the contingency amount will need to be clearly justified and City approval does not constitute an automatic allowance to be spent on the project. Staff will continue to manage the project, including costs.

This request was administratively pulled from the March 17, 2021 Consent Agenda in order for staff to perform a greater level of research regarding household and income characteristics. Staff has determined the household size (number of people residing in the house) is consistent with what has been represented to the City. In addition, based on all household income, the household qualifies as a low income applicant. The income thresholds are predicated on area median income data derived from the Deltona, Daytona Beach, Ormond Beach Municipal Statistical Area (MSA). The extensive review of the application has revealed the request qualifies for assistance and is consistent with all State grant requirements. Finally, the State money invested in the 810 Westbrook property will be subject to a non-interest bearing lien with a 15 year life. If the property is sold or refinanced within the 15 year timeframe, the City will need to be repaid the money invested in the house. However, if the present owner stays in the house beyond the 15 year timeframe, the lien is forgiven.

Housing programs administered by the City have several benefits. The first benefit is to help needy households attain or maintain home ownership. Homeownership is a prime method for households to build wealth. Typically, the most valuable household asset is a dwelling unit. Housing programs, especially Owner Occupied Rehabilitation, helps maintain and improve the condition of the City housing stock. Better housing stock is going to protect property values not only for the houses associated with assistance but with other housing in the vicinity. Better housing stock equates to a greater overall City tax base benefit.

The Acting City Manager has the authority to make corrections of scrivener’s errors and the like.

COST:
No more than $30,000.00

SOURCE OF FUNDS:
Florida Housing Finance Corporation (SHIP) (104540-524900-51003)

ORIGINATING DEPARTMENT:
Planning and Development Services

STAFF RECOMMENDATION PRESENTED BY:
Ron Paradise, Director, Planning and Development Services - Staff recommends the City Commission grant approval to expend no more than $30,000.00 in Florida Housing Finance Corporation SHIP funds on the rehabilitation project.

POTENTIAL MOTION:
“I hereby move to grant approval to expend no more than $30,000.00 in Florida Housing Finance Corporation SHIP funds on the rehabilitation project. The Acting City Manager has the authority to make corrections of scrivener’s errors and the like.”