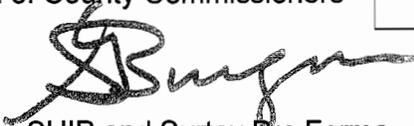


Date: March 18, 2008

Supplement to
Agenda Item No. 12(B)1

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager



Subject: Supplemental Report - SHIP and Surtax Pro Forma

The following is a supplemental report to the State Housing Initiative Partnership (SHIP) and Documentary Stamp Surtax (Surtax) Pro Forma based on the discussion held at the February 13, 2008 meeting of the Economic Development and Human Services (EDHS) Committee. This supplemental report presents a revised allocation of SHIP and Surtax funds towards homeownership housing activities and is reflected in an accompanying Resolution on this same agenda.

Summary of Surtax and SHIP Housing Activities

As stated in the Pro Forma report, 50 percent of the combined available SHIP and Surtax revenue (\$49.554 million in FY 2007-08), excluding administrative costs and prior funding commitments, shall be allocated towards rental housing activities. The remaining 50 percent will go to homeownership activities. All of these projected allocations assume that the revenues generated by the Surtax program will be sufficient to meet these obligations. We will continue to monitor the revenues and will track our expenditures against those revenues to ensure that we do not commit more funds than what are actually available for disbursement.

This supplemental report revises the FY 2007-08 funds available for mortgage assistance, owner-occupied rehabilitation loans, and counseling.

Homeownership Activities	Initial Allocation		Revised Allocation	
	Number of Loans ¹	Funding Amount	Number of Loans ¹	Funding Amount
<i>Infill Housing Program Units</i>	104	\$8,320,000	70	\$5,600,000
<i>OCED Funded Units</i>	100	\$8,000,000	70	\$5,600,000
<i>Owner-Occupied Rehabilitation Loans (elderly and the disabled)</i>	163	\$4,891,000	96	\$2,891,000
<i>Homebuyer Counseling</i>		\$866,000		\$866,000
<i>Non-Profit Community Development Corporation Units</i>	0	no funding	45	\$3,600,000
<i>General Homebuyer "spot loans"</i>	0	no funding	44	\$3,520,000
Total Funding	367	\$22,077,000²	325	\$22,077,000²

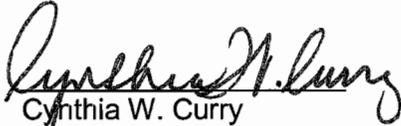
1 - Assumes the average homebuyer mortgage loan will be \$80,000 and the average rehabilitation loan will be \$30,000.
2 - Total does not include the \$2.7 million towards homeownership construction.

Under the revised allocation, funds to support homebuyer and owner-occupied rehabilitation loan activity would be as follows:

- A. \$5.6 million in SHIP funds for homebuyer mortgage assistance towards homes developed under the Infill Housing Program.
- B. \$5.6 million (\$1.693 million in Surtax and \$3.907 in SHIP) for homebuyer mortgage assistance towards the purchase of housing units developed with County assistance under the SHIP, Surtax, HOME and/or CDBG Programs.
- C. \$2.891 in Surtax funds for owner-occupied rehabilitation loans, with an emphasis on elderly and disabled persons in accordance with Resolution R-1036-06
- D. \$866,000 (\$500,000 in Surtax and \$366,000 in SHIP) for Homebuyer and Education Counseling

- E. \$3.6 million (\$2 million in Surtax and \$1.6 million in SHIP) for homebuyer mortgage assistance towards units developed by non-profit community development corporations (CDCs). These funds are recommended to be available for developments constructed by CDCs because as not-for-profit entities, many need the assistance and look to the County to make second mortgage loan assistance available to their eligible purchasers. In addition, CDCs raise their own private financing for the construction of affordable housing units.
- F. \$3.52 million (\$2.4 million in Surtax and \$1.12 million in SHIP) for general homebuyer mortgage assistance towards the purchase of a home selected by the homebuyer from the open housing market.

Homes assisted under the Mortgage Assistance Program may not exceed a sales price of \$225,000.



Cynthia W. Curry
Senior Advisor to the County Manager