

## Legislation Text

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**File #:** 2023-461, **Version:** 1

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### **Title:**

Approve an increase to the budget for a FY22/23 SHIP Reconstruction Project from \$200,000 to \$225,000 to complete the project located at 3039 McKinley Lane, Sanford, FL 32771. The Board approved FY2022-2025 Local Housing Assistance Plan (LHAP) on May 24, 2022, which sets the Homeowner Reconstruction Strategy's budget to a maximum of \$200,000. This budget includes contractor costs, relocation, and storage costs. District5- Herr (**Stacey Smithwick, Community Development Division Manager**)

### **Division:**

Community Services - Community Development

### **Authorized By:**

Allison Thall

### **Contact/Phone Number:**

Stacey Smithwick/407-665-2362

### **Background:**

Staff consulted with the Florida Housing Finance Corporation (FHFC) regarding the need to increase the SHIP FY22/23 budget to complete the reconstruction of a single-family dwelling unit at 339 McKinley Lane, Sanford, FL 32771. To ensure compliance with an audit by FHFC, the file must show that the budget increase was approved by the Board of County Commissioners prior to commencement of the project.

The following timeline outlines the reason for this request of the project budget:

- **August 2021**- The homeowner met the SHIP eligibility guidelines and signed a 30-year SHIP mortgage/note to allow her home to be demolished and reconstructed.
- **September 2021** - Staff selected the contractor for the project and provided their name and business to the Procurement Department.
- **September 2021 - December 2021** - During this timeframe, two significant items required Procurement/Contactor involvement:
  - 1 - Procurement was in the process of renewing the Master Services Agreement with

participating contractors under the SHIP program; and

- 2 - Procurement submitted a recommendation that all contractors produce a Performance Bond prior to being awarded a SHIP construction project.
- **December 2021** - The contractor and the applicant signed the Notice of Commencement.
- **January 2022 - March 2022** - The contractor began the process for applying for permits.
- **April 2022 - August 2022** - The home was demolished and plumbing, and foundation work commenced.
- **August 2022** - Staff was notified that the applicant had passed away in late July 2022. Prior to the applicant's passing, the property had been deeded over to her Living Trust, which listed 6 beneficiaries. The Trustee, following the applicant's death, deeded the home to her daughter (granddaughter of the applicant). Staff immediately issued a Stop Work Order to the contractor and began working with the beneficiaries to determine if each beneficiary agreed to relinquish their interest to the new deed holder. Until this legal matter was resolved, SHIP funds could not be expended on this project as the current SHIP mortgage/note - in the name of the deceased applicant - was in default.
- **September 2022 - October 2022** - Staff scheduled a TEAMS meeting with the beneficiaries to discuss the project and the options the family had as it related to the SHIP mortgage/note. This meeting was re-scheduled to early October due to the hurricanes that impacted the State.
- **October 2022** - The TEAMS meeting was held, and it was explained that each beneficiary needed to provide a notarized statement of their intent regarding their interest in the asset. It was agreed by all 6 heirs that the home should pass to the deceased applicant's granddaughter.
- **November 2022** - Staff received all beneficiary forms and then, multiple administrative activities began. The process of income qualifying the new deed holder (the granddaughter) was stalled several times due to the start of a new college semester. Additionally, a legal work request was submitted for the preparation of the Assumption of Mortgage, ultimately the new applicant was determined income eligible. The Assumption of Mortgage was finally executed and was recorded on March 2, 2023.
- **March 2023 - April 2023** - Staff contacted the contractor to determine his cost to re-mobilize and complete the project. Due to the increased cost of construction materials the contractor submitted a re-mobilizing estimate approximately \$25,000 above the program's maximum threshold of \$200K. A Resume Work Order was issued by the Procurement Department and the new Notice to Proceed will be signed after approval of the budget.

The \$25,000 increase being requested for this project is based on the contractor costs, potential relocation, and storage costs for the new applicant as well as any unforeseen changes in scope of work.

## Staff Recommendation:

Staff recommends the Board approve an increase to the budget for a FY22/23 SHIP Reconstruction Project from \$200,000 to \$225,000 to complete the project located at 3039 McKinley Lane, Sanford, FL 32771. The Board approved FY2022-2025 Local Housing Assistance Plan (LHAP) on May 24, 2022, which sets the Homeowner Reconstruction Strategy's budget to a maximum of \$200,000. This budget includes contractor costs, relocation, and storage costs.