

Expanding Housing Financing and Legal Service Programs

Initiative Summary Statement:

Establish, promote, and sustain housing financing and legal services programs that provide counseling services, and identify multiple funding sources to increase accessibility of affordable housing, especially for Low and Moderate Income (LMI) areas.

Initiative Description:

Objective: Expand, and develop where needed, Countywide programs for housing financing, homeownership, finance counseling and legal services to help households stay in their homes or relocate to more appropriate housing within the region. Impacts from Hurricane Ian have compounded the existing housing crisis in the County and greater southwest Florida. Educating individuals and households on how to be responsible and self-sufficient tenants and homeowners will bring stability to families and the local economy. Programs that support community members finance the purchase of homes, paired with homeownership counseling programs, will aid residents in navigating the homeownership process for the first time, and overcoming barriers to home retention. Assist homeowners, and tenants who are facing legal obstacles so they are not prevented from receiving assistance and/or beginning rehabilitation or construction or can avoid eviction procedures. Legal services may include:

- Assisting homeowners with resolving title issues and avoiding mortgage foreclosure.
- Helping individuals and businesses navigate and understand bankruptcy.
- Assisting tenants with evictions, termination of housing subsidies, housing code violations, and illegal rent increases.

Need: The combined impacts of the COVID-19 pandemic, inflation, and Hurricane Ian have created significant challenges to the affordability of housing in Lee County. A 2018 Lee County Attainable Housing Coalition Report states that the County includes more than 100,000 cost-burdened households spending over 30% of income on housing costs, and more than 50,000 severely cost-burdened households spending over 50% of income on housing. A 2019 report by Lee County Human and Veteran Services confirms the number

of households paying greater than 30% of income toward housing costs is estimated to increase¹⁵.

County households are in an unattainable rental market. Vulnerable populations should be closely evaluated through efforts to augment housing affordability. For example, elderly citizens disproportionately reside in areas of high risk in the County. In 2017, at least 19,000 single elderly residents had annual incomes below the financial requirements of their mortgage or rent. Another important consideration is homeless populations that may require transitional housing. While the number of community members experiencing homelessness fluctuates ¹⁶, at present, there are 515 households experiencing homelessness that have contacted Lee County's Coordinated Entry Line seeking assistance with housing. The Coordinated Entry Line serves as a gateway to housing services for persons who are experiencing homelessness in the County and provides access to street outreach services, emergency shelter, rapid re-housing, and permanent supportive housing.

Renters, owners, and prospective buyers need information regarding their housing options as well as tools such as financial literacy education, homebuyer counseling and credit repair services to assist with making life changing housing/financial decisions after a disaster.

Lee County Housing Development provides pre-purchase counseling and home improvement rehabilitation counseling services (the latter supported through the SHIP grant). Lee County Homeless Coalition/Continuum of Care is also supporting the Unmet Needs Long Term Recovery Group for the County. "Studies show that pre-purchase counseling and education reduce future delinquency and default rates by 33%" [Homeownership Counseling | Homes and Community Renewal \(ny.gov\)](#).

Developing mechanisms to distribute and sustain homebuying financial assistance funds and guaranteeing HUD approved agencies and private nonprofit and faith-based organizations are appropriately funded will ensure the County and its partners are better equipped and more accessible to community members in need. Furthermore, expanding existing programs to also address recovery needs such as obtaining and maintaining

¹⁵ Lee County Human and Veteran Services 2019 Needs Assessment, [2019 Needs Assessment \(leegov.com\)](#)

¹⁶ Lee County Emergency Management Hazard Identification and Risk Assessment, 2022 [2022 Hazard Identification and Risk Assessment.pdf \(leegov.com\)](#)

insurance and addressing mitigation strategies and options will increase overall resilience for the residents of the County.

Regional Approach: Much of southwest Florida is experiencing challenges related to housing affordability and a regional approach that leverages local expertise has the potential to stabilize the housing market and give residents the opportunity to continue to make their home in this community. The County's economic recovery goals are directly connected to housing affordability. Local employers have voiced concerns regarding the lack of affordable housing and the resulting increased burden to recruit and retain employees. Increasing the availability of attainable housing is paramount to augmenting the economic vitality of the region. There already exists a strong network of private nonprofit and faith-based organizations servicing housing assistance needs in the County also provide services to community members in neighboring counties. For example, The Lee County FirstPlus Program is a continually funded program which provides first-time homebuyers with downpayment and closing cost assistance on a first-come, first-serve basis. Collaboration and planning for increasing housing counseling and financing services should include feedback and lessons learned from existing programs and implementation of new recovery-focused programs in the region. Incorporating this regional understanding and approach to expanding and financing programs will increase resilience and may help to identify or expand upon innovative avenues for making affordable housing more fundable.

Impact: Expanding existing housing financial assistance programs and expanding counseling/assistance to community members in areas such as foreclosure prevention, financing, insurance, and home hardening will shorten the recovery time for households and may increase homeownership rates in the County. Providing renters, owners and prospective homebuyers with housing opportunity information, financial literacy education, credit repair assistance and information on how to maintain and sustain permanent housing will contribute to strengthening the community. Providing prospective homebuyers with homeowner counseling that explains the home purchase process, provides guidance on finding and obtaining necessary financing to purchase a home, and the long-term costs will make for more stable homeownership. Knowing more can help households assess housing options based on financial status, provide credit counseling services, mitigate default/foreclosure proceedings, educate prospective homebuyer's advice on construction costs and sustainability issues as well as refer clients to additional resources or programs.

The County offers multiple programs to address housing cost burden and provide incentives to homebuyers, such as the Community Development Block Grant (CDBG) Homeownership Assistance Program, HOME Down Payment Assistance Program, and the Neighborhood Stabilization Program, but there is still a great need for affordable housing and this current slate of programs, combined with the need to rehabilitate and recover damaged affordable housing units could indicate pathways for increased investment.

Success has also been found through programs like Habitat for Humanity of Lee and Hendry Counties' Affordable Homeownership Program and numerous other private nonprofit organizations and faith-based organizations in the area who provide both funding assistance and homeownership counseling services. Expanding funding programs may ensure these entities are better equipped and available to provide counseling services to community members which may help further address historical issues and resilience of residents. Potential expansion mechanisms and programs shall not be limited to homebuyers but shall also be inclusive of financing developers where strategically appropriate, increasing overall accessibility and access to affordable housing.

Key Considerations:

- As a component of housing counseling services, provide professional real estate services including referral to qualified real estate agencies.
- Counselors should receive standardized and approved training. Consider utilizing only HUD approved Housing Counseling Agencies.
- Create a proposed timeline for assistance with housing counseling as component so remain on target to provide assistance to purchase home after housing counseling completed.
- As part of program planning, calculate projected number of prospective homebuyer households that are likely to complete program and purchase home.
- When counseling on reconstruction, rehabilitation and construction issues of green building and energy efficiency should be considered in terms of life cycle costs.
- Enlist or create a non-profit organization to administer, oversee, and manage the delivery of legal services.

Co-Sponsoring Branches:

Economic Recovery, Infrastructure, Health & Social Services, Planning & Capacity.

Stakeholders:

- Housing Authorities
- Lee County Housing Coalition

- County departmental experts in housing, planning, and economic development.
- Municipal departmental experts in housing, planning, and economic development.
- Department of Housing and Urban Development (HUD)
- Local non-profit and faith-based organizations (FBOs)
- Recovery Case Managers
- Social Workers
- Flood Insurance Providers

Potential Funding Sources:

- Department of Housing and Urban Development Community Development Block Grant (CDBG)
- Department of Housing and Urban Development Community Development Block Grant – Disaster Recovery (CDBG-DR)
- Department of Housing and Urban Development HOME Investment Partnerships Program (HOME)
- Federal Housing Authority Loan Programs Department of Homeland Security/Federal Emergency Management Agency (FEMA)
- United States Department of Agriculture (USDA) Rural Development
- United States Department of Health and Human Services
- United States Department of Treasury
- Florida Association for Community Action
- Florida Housing Finance Corporation
- State Housing Initiatives Program
- Community Land Trusts (CLTs)
- Privately financed home buyer programs
- Federal Housing Administration (FHA) loans
- United States Department of Veterans Affairs (VA) loans

Resources:

- [Hurricane Ian CDBG-DR \(leegov.com\)](https://leegov.com)
- [The Lee Plan \(as amended through January 2023\) \(leegov.com\)](https://leegov.com)
- City Comprehensive Plans
- [LTR Housing Plan.pdf \(leegov.com\)](https://leegov.com)
- [Housing Resources | Community Resources | Lee Health](#)
- [Lee County FirstPlus Program \(fha.com\)](https://fha.com)