



Pinellas County

Staff Report

File #: 20-442D, Version: 1

Subject:

Loan payment moratorium for Pinellas County affordable housing program borrowers impacted by the COVID-19 pandemic.

Recommended Action:

Approval by the County Administrator of a moratorium on loan payments for eligible borrowers with Pinellas County Affordable housing loans and delegation of eligibility determination and signature authority to the Director.

- To assist borrowers who have experienced reductions in income as a result of the COVID-19 pandemic, loan payments for eligible borrowers, including late fees and loan interest, will be postponed until 90 days after the County disaster declaration is lifted. Borrowers will be required to extend the term of their loans proportionate to the length of the loan deferral. Ninety days after the end of the local emergency declaration, normal payment schedules will resume.
- Loan payments for eligible borrowers will be deferred until 90 days after the County disaster declaration is lifted.
- Borrowers will be required to execute loan modifications to extend the loan term. Loan balances will not be reduced.
- Borrowers must demonstrate a financial hardship resulting from the novel Coronavirus Disease 2019 (COVID-19) pandemic.
- COVID-19 has negatively impacted the economy and low- and moderate-income borrowers are experiencing job loss and income reductions resulting in the inability to afford mortgage payment.
- 26% of normally on-time affordable housing program borrowers did not make April payments.
- Community Development Division staff will determine borrower eligibility based on specific criteria defined in the delegation memorandum.
- Loan modifications will be signed by the Director.

Strategic Plan:

Ensure Public Health, Safety, and Welfare

2.4 Support programs that seek to prevent and remedy the causes of homelessness and move individuals and families from homelessness to permanent housing

Foster Continual Economic Growth and Vitality

4.2 Invest in communities that need the most

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

5.4 Strive to exceed customer expectations

Summary:

To assist borrowers who have experienced reductions in income as a result of the COVID-19 pandemic, loan payments for eligible borrowers, including late fees and loan interest, will be postponed until 90 days after the County disaster declaration is lifted. Borrowers will be required to extend the term of their loans proportionate to the length of the loan deferral. Ninety days after the end of the local emergency declaration, normal payment schedules will resume.

Single family and multifamily borrowers requesting payment deferral will be required to provide documentation of a financial hardship to be eligible. Borrowers will execute a mortgage modification certifying their need for forbearance and agreeing to extend the term by the length of the forbearance. Loan payment deferral and mortgage modification will only be provided to borrowers who meet defined eligibility criteria.

Background/Explanation:

COVID-19 has negatively impacted the economy, and federal, state and local entities have enacted various laws, statutes, and orders in an effort to minimize both the long and short-term economic impact. As a result of these actions, low- and moderate-income residents are experiencing job and income loss that is preventing them from paying rent.

Pinellas County has 325 amortizing affordable housing loans serviced by Covey Financial consisting of 305 loans issued to single-family homeowners and 19 loans issued to multi-family developers. As of April 10, 26% of normally on-time payments were not made.

Fiscal Impact:

N/A

Delegated Authority:

Authority for the County Administrator to sign this Delegated Authority Memo is granted under Code Section 2-62 (a)(1) or Resolution No. 20-16.

Staff Member Responsible:

Renea Vincent, Director, Planning Department

Partners:

N/A

Attachments:

Delegated Signature Authority Memo
Resolution 20-16