CITY OF HALLANDALE BEACH
ADMINISTRATIVE POLICY

DATE OF ISSUE: November 9, 2006 NO: 2027.005/R0

EFFECTIVE DATE: March 30, 2006 SUBJECT: Hallandale Beach First Time Homebuyers Program

APPROVED: _____
D. Mike Good, City Manager

==========

Cross Reference: Administrative Policy 2027.001; Administrative Policy 2011.003/R2

==========

I. PURPOSE/INTENT

The purpose of this Administrative Policy is to establish the policy and procedures for the administration of the City of Hallandale Beach's First Time Homebuyers Program.

II. DEFINITIONS

Affordable Housing – As defined by Chapter 420, Florida Statutes as a situation where the cost of monthly rents or monthly mortgage payments including taxes, insurance, and utilities do not exceed 30% of that amount which represents the percentage of the median adjusted gross annual income for very low, low, and moderate income households.

Affordable Housing Board of Directors – The City Commissioners who shall be the trustee of the Trust Fund, and any other funds dedicated to the Affordable Housing Program, and shall be the trustee of custody, disbursement, accountability, management, investments, and proper allocation of all monies paid into the Trust fund or Affordable Housing Program. The Board of Directors will delegate the routine program and fiscal management and program operation of the Program to the City Manager or designee.

Affordable Housing Committee – Delegates from the Affordable Housing Board of Directors to handle the approval of applicants and report back to the Housing Board as to the progress and activity of the Affordable Housing Program. Committee members will be as follows: Director of Human Services, a designee from the Finance Department and City Manager's Office, and the CRA Administrator or designee.

Affordable Housing Trust Fund – Funds to the City from Developer Agreements or other revenues dedicated to the development and/or improvement of Affordable Housing.

Appreciation – Increase in the value of the property due to improvements made to the property or surrounding area/neighborhood by the owner or other parties, including government and/or more general market forces.

Assets - Deposits in checking or savings accounts, pensions, certificates of deposits, stocks, bonds, and mutual funds; the value of retirement funds, other investments, and vehicles are to be disclosed, but are not to be included in the calculation.

City's First Right-of-Buyback – City's right to have the first opportunity to purchase the property from First Time Homebuyer when First Time Homebuyer decides to sell or convey the property. The City, at its option, may purchase the property at the Market Value (as appraised) minus the Shared Appreciation amount minus the Principal Assistance Amount due including any deductions if applicable.

First Time Homebuyer – Applicants who have not owned a home within the past three (3) years.

Land Acquisition – The purchase of vacant property by the City with the intention to convey to an approved applicant of the Affordable Housing program to construct a new single family home on.

Market Value – The price a property would sell for in a competitive market when there has been a normal offering time, no coercion, arms-length bargaining, typical financing, and informed buyers and sellers.

Principal – The currently unpaid balance of a loan, not including interest.

Principal Assistance Amount – The financial assistance provided to the First Time Homebuyer by the City plus the cost of the lot to the City (if applicable). The total Principal Assistance Amount or loan is set forth in the Mortgage and Promissory Note.

Proceeds of Sale: The difference between the purchase price of a property at the time the property was conveyed by the City and the appraisal value of the property at a subsequent time when the First Time Homebuyer intends to sell or convey the property.

Property Acquisition - The purchase of real property by the City with the intention to convey to an approved applicant of the Affordable Housing program.

Property Conveyance – The sale of City owned vacant land or real property to qualified applicants of the Affordable Housing Program.

Public Service Applicants & Employees – Those who may qualify to receive additional funding, such as: Police Officers, Fire Fighters, Nurses, Teachers and current Hallandale Beach employees.

Restrictive Covenant: The Affordable Housing for First Time Homebuyers Procedures Manual ("the Manual") incorporated into the promissory note and mortgage, and the City's First Right-of-Buyback incorporated into the Quit Claim Deed upon property conveyance.

Shared Appreciation – At the time the First Time Homebuyer decides to subsequently sell or convey the property so conveyed, the Shared Appreciation is the amount due back to the City at the time of sale or conveyance which is forty percent (40%) of the Proceeds of Sale. The Shared Appreciation will be due to the City regardless of the number of years the property is owned by First Time Homebuyer.

III. ELIGIBILITY

A. Program Eligibility

Home ownership assistance must be conducted within the framework of both the granting agency's statutory rules and regulations as amended from time to time as well as applicable local policies and procedures. All funds used to administer these programs are presumed to benefit very low, low, or moderate-income persons. All regulatory reviews will be conducted in accordance with Federal and/or State requirements and City of Hallandale Beach policies.

B. Applicant Eligibility

1. Applicants must meet the City's income eligibility requirements as established by the Federal and/or State guidelines as follows:

   a) For CDBG funded applicants, that maximum is 80% of the area median, adjusted for family size.

   b) For City funded applicants, that maximum is 120% of the area median.

2. Applicants must agree to participate in a sponsored credit/home buyer's training/education course.

3. Applicant may not be anticipating or involved in any bankruptcy during the housing assistance application process.

C. Property Eligibility

1. Properties purchased with City assistance must be located within CRA boundaries.

2. Single family homes, town homes, and condominiums are all eligible. Vacant lots are eligible for new construction.

3. The property to be purchased must pass a home inspection, to include, but not limited to; termite, roof (where applicable), electrical, plumbing, kitchen appliances, air condition, structural, windows and doors, prior to purchase.

IV. POLICY/PROCEDURES

City of Hallandale Beach staff has developed an operating procedures manual to address specific details which will be used for direction as to the proper methods to follow.

A. City Manager designee will carry out the policy and procedures outlined for affordable housing applicants related program issues.

1. Follow guidelines for approving new applicants.

2. Address needs and concerns to City Manager, as well as Affordable Housing Board of Directors.

3. Work with lenders, builders, and other institutions necessary to carry out the intent of providing affordable housing.

B. Meetings will be conducted by the Affordable Housing Board of Directors on a regular basis as needed. The Board of Directors shall review staff recommendations regarding policy, funding and other issues relating to the City's Affordable Housing Program.

1. Other duties or requests include technical assistance to construction builders, lending institutions and/or housing applicants prior to or after approval. Exceptions to the above would involve those cases whereby a special situation or occurrence is evident and requires additional authorization or attention from the City Commission or City Manager.

V. LOAN ASSISTANCE AMOUNTS

A. The First Time Homebuyer's Program will approve applicants for loan assistance amounts up to $40,000. The increments are as follows:

1. $25,000 for applicants whose income is below Broward County's 120% median income as defined by the Office of Housing and Urban Development (HUD).

2. $35,000 for applicants whose income is below 80% of Broward County's median income as defined by the Office of Housing and Urban Development (HUD).

3. $5,000 additional funds to public services applicants and City employees.

B. Assets of applicants must not exceed $10,000.

C. Applicants must meet the income requirements based on family size followed by the City as determined by the State Department of Housing and Urban Development.