

City of Lauderhill
HOUSING ASSISTANCE PLAN
HOME Investment Partnership (HOME)

Broward County is the lead agency of Broward County HOME Investment Partnership (HOME) Program Consortium funds from the United States Department of Housing and Urban Development (HUD) to carryout eligible activities set forth in 24 CFR 92 on behalf of all of its members.

The City is the recipient of HOME funds from Broward County.

Homeowner/buyer must be certified with the City as an eligible household, and submit an application for HOME funds for rehabilitation or purchase assistance under HOME regulations.

Advertising and Outreach

The City will advertise in a newspaper of general circulation and periodicals serving ethnic and divers neighborhoods, at least 15 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

Recipient Section Criteria

Eligible applicants will be served on a first-come, first-qualified, first-served basis. Residents that are listed on a waiting list will be given first priority in the same manner stated above, if applicable.

Income Eligibility and Verification

Homeowner/buyer/buyer must certify with the City as a low-income household based on the application and supporting documents submitted for program participation. The method used to determine income eligibility is an approved method in accordance with CFR Part 5 for annual (gross) household income.

Use Of HOME Funds

Rehabilitation Funding

The City shall provide funding to selected contractors, inspectors, and project management agency to address rehabilitation needs for the categories prioritized below:

- Emergency roof repair;
- Weatherization (roofs, windows, doors, shutters, air conditioning, etc.);
- Health and safety hazards; and/or
- Code enforcement violations.

Purchase Assistance Funding

The City shall provide funding to income-qualified homebuyers to assist with the purchase of an eligible home located within the City of Lauderhill. Funding utilized through the HOME Program will directly address homebuyer needs by providing:

- Down payment assistance;
- Closing cost assistance; and
- Principal buy-down.

Funding Amount and Form of Assistance

Rehabilitation

The City shall provide award to Homeowner/buyer in an amount not to exceed \$20,000. Award shall be provided in the form of a Deferred Payment Loan at zero percent (0%) interest for a period not to exceed the term of affordability identified in Paragraph D.

Purchase Assistance

The City shall provide an award to Homebuyer in an amount not to exceed \$25,000. Award is categorized by percentage up to an amount, whichever is less of the purchase price. Income limits as follows:

- Very-low income family will receive 30% up to \$25,000
- Low-income families will receive 20% up to \$20,000

Assistance is provided on a first qualified, first closed, first assisted basis pending funding availability.

Affordability Period and Recapture Provision

The homeowner/buyer and assisted property shall be governed by a Mortgage and Note with an affordability term:

Rehabilitation

Affordability term of ten (10) years at zero percent (0%) interest; or until the first of the following events occur:

- (1) Homeowner/buyer sell, transfer or dispose of the assisted unit by either sale, transfer; bankruptcy, or foreclosure, etc.;
- (2) The homeowner/buyer no longer occupies the unit as their principal residence;
- (3) Loss of homestead exemption status;
- (4) Conversion to a rental property; or
- (3) The homeowner/buyer dies, or if a married couple, the survivor dies.

The City shall record a Mortgage and Note in Broward County Public Records until affordability has been satisfied or the property assisted with HOME funds has been disposed, whichever occurs first. Broward County shall be considered as the Mortgagee. Mortgage will be release upon satisfaction of affordability period. Award shall be reduced ten percent (10%) or twenty percent (20%) per annum, depending on the amount provided.

The City will recapture on a prorated basis. Proration basis is:

- Award less than \$15,000; 5 year/20 percent; and
- Award \$15,000 to \$20,000; 10 years/10 percent.

Award and affordability period of \$15,000/5 years is only available to elderly homeowner/buyers. At the time of application, the head-of-household or applicant must be 62 years of age or older. Co-applicants do not qualify for this arrangement.

Purchase Assistance

The homebuyer and property shall be governed by an Second Mortgage and Note with an affordability term of fifteen (15) years at zero percent (0%) interest, or until the first of the following events occur:

- (1) Homeowner sell, transfer or dispose of the assisted unit by either sale, transfer;
bankruptcy, or foreclosure, etc.;
- (2) The homeowner no longer occupies the unit as their principal residence;
- (3) Loss of homestead exemption status;
- (4) Conversion to a rental property; or
- (3) The homeowner dies, or if a married couple, the survivor dies.

The City shall record a Mortgage and Note in Broward County Public Records until affordability has been satisfied or the property assisted with HOME funds has been disposed of, whichever occurs first. Broward County shall be considered as the Mortgagee. Mortgage will be released upon satisfaction of affordability period. The Mortgage is not prorated.

Recapture provisions for both activities shall be enforced in Broward County's Mortgage and Promissory Note, which require signatures at the time of contract. Mortgage and Note will be recorded in Broward County Public Records to this effect. All names listed on the assisted property as found on Broward County Property Appraiser's website must sign and will be added to the Mortgage and Note.

Subordination requests and release of liens shall be completed by Broward County.

Mortgagee and Lender Clause

Broward County is to be named as an Additional Mortgagee on all property and flood insurance (if applicable):

Broward County, a political subdivision of Florida
c/o Broward Housing Finance & Community Redevelopment Division
110 NE 3rd Street, Suite 300
Fort Lauderdale, Florida 33301

Lender Clauses: ISAOA
Lender Type: Second or Additional Mortgagee
Lender Interest: Building only
Bill to Lender: No

Ownership Interest and Principal Residence

Homeowner/buyer must certify that ownership is in fee simple title or equivalent form for an eligible property type by signing the Homeowner/buyers Agreement. Additionally, Homeowner/buyer ensures the family is determined to be low-income by the City at the time HOME contract is signed and funds are committed to the unit.

Assisted property is and will continue to be the Homeowner/buyer's principal residence during the affordability period. If the unit is no longer considered to be the homeowner/buyer's principal residence, the mortgage is ruminated as default and recapture provisions shall apply.

Eligible Property Type

Eligible property type shall be a one-unit property that will serve as the homeowner/buyer's principal residence; multi-unit dwellings, such as duplex, triplex, and quadruplex will not be assisted. Examples of eligible property types are:

- Single-family homes
- Townhomes
- Condominiums
- Villas

Rehabilitation

Homeowner/buyer must receive homestead prior to application. Homestead shall remain on the assisted property until satisfaction of affordability period.

Project eligibility shall be established prior to commencement of work to determine after-rehabilitation value. The City will utilize a licensed appraiser to determine after-rehab value.

Purchase Assistance

Homebuyer must file homestead no later than 60-days after closing. Homestead shall remain on the assisted property until satisfaction of affordability period.

Maximum Property Value and Limits

Rehabilitation

The City ensures the assisted property is located within Lauderhill boundaries. The estimated value of the property, after rehabilitation cannot exceed 95 percent of the median purchase price for the Fort Lauderdale/Broward County Metropolitan Statistical area, as provided by HUD. Property values that exceed the maximum property values will not be assisted.

Purchase Assistance

Homebuyer shall acquire a unit that is a deemed single-family, modest housing. Purchase price cannot exceed 95 percent of the median purchase price for the Fort Lauderdale-Broward County median purchase price for the area. HOME funds for homebuyer

assistance shall comply with the HOME affordable homeownership limits provided by HUD for newly constructed or existing housing units.

Homebuyer shall provide a current appraisal to determine the property value. Appraisal conducted by a licensed appraiser must be within 60-days of closing. If the appraisal is no more than 15 days out of the 60-day window, a certification from a licensed appraiser is accepted in lieu of a new appraisal.

If the homebuyer entered into a contract to purchase a unit to be constructed, the homebuyer must qualify as a low-income family upon contract signing.

Property Standards

The City ensures the HOME-assisted unit will be decent, safe, sanitary, and in good repair in accordance with 24 CFR 5.703.

HOME-funded properties must meet state and local codes. Local ordinances apply to any HOME-funded project. A home inspection report must be submitted to the City and is required to ensure property standards by no less than five (5) business days prior to closing, for purchase assistance applicants.

New construction. Newly constructed units must meet all applicable State and local codes, ordinances, and zoning requirements as set forth in subsection 92.251(a) upon project completion. In addition, such units must also meet the requirements of accessibility, disaster mitigation, written cost estimates, construction contracts and documents, and progress inspections.

Existing housing. Rehabilitation of existing units performed using HOME funds must meet State and local codes, ordinances, and zoning upon project completion. In addition, standards addressing health and safety, major systems, lead-based paint, accessibility, disaster mitigation, uniform physical condition standards, construction documents, cost estimates, and frequency of inspections will be addressed in accordance with subsection 92.251(b).

Inspection standards must meet all applicable State and local housing quality standards and code requirements. The unit cannot contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures issued pursuant to 24 CFR 5.705

Property Maintenance

The Homeowner/buyer shall maintain the property, including but not limited to mortgage payments, property taxes, property insurance, flood insurance (if applicable), and homeowner/buyers association fees (if applicable). Broward County shall be named as additional mortgagee on all property and flood insurance coverages for the duration of the affordability period. Proof of insurance to this effect must be presented before rehab commence or at the time of closing.

Lead Based Paint

The City shall perform Lead-based paint inspections for all homes pre-1978 as specified in 24 CFR Part 35. Homeowner/buyer is required to sign an acknowledgement for receipt of results and provided a copy for their file. Units that are post-1978 will receive a compliance sheet documenting and confirming the date of construction as the effective date located on the Broward County Property Appraisers website. A copy of the report with results shall be provided to the City by no less than five (5) business days prior to closing.

Fees and Disbursement of Funds

Rehabilitation

The City shall disburse funds for title search, inspections, testing, labor, material, permit fees, recording, and administrative costs to perform rehabilitation, repair, and/or improvements to the assisted property as detailed in the Scope of Work agreed to by the homeowner/buyer and contractor attached hereto for referencing.

HOME funds shall be disbursed by the City to a licensed general contractor or subrecipient when rehabilitation work is completed as evidenced by initial payment request, final permit, and final inspection. Contractor is responsible for providing the City with a release of lien upon submittal of final invoice. After which, homeowner/buyer will receive a copy.

Purchase Assistance

The City shall wire funds to the title agency on the date of closing upon receipt of the final preliminary closing disclosure and approval from the lending institution. Estimated completion shall be considered as the dated the closing agency provides all signed and recorded documents to the City for file inclusion. Documents shall include First Mortgage, Second Mortgage, Closing Disclosure and proof of receipt of wire.

Estimated Completion Date (Rehabilitation Only)

The estimated completion date is no more than ninety (90) calendar days from the date of Notice to Proceed for non-permit work and Issuance of Building Permit for permitted work.

Roles of Participating Parties

Homeowner/buyer must that the information provided to the City is accurate, truthfully, and timely information for determining program eligibility, contractor selection, contract negotiation, and allowing contractor and subcontractors to utilize utilities, such as, water and electricity at no cost to carry out and complete rehabilitation. Homeowner/buyer shall permit access to the assisted unit for contractor, appraiser, inspector, City and/or County, and project management agency. Questions, difficulties, and disputes of whatever nature arise relative to the interpretation of any part of the scope or contract shall be addressed to the contractor.

The City reserves the right to inspect, monitor, and observe work and serviced performed by the hired vendors at any and all responsible times.

The City is responsible for income qualifying homeowner/buyer, complying with program requirements as set forth in the HOME regulations 24 CFR 92, and acting as payment agent.

The City reserves the right to use third party contractors to provide project management services. The project management firm, shall be responsible for project management, grievance facilitation, and file maintenance.

The City shall provide HOME-assisted unit will be decent, safe, sanitary, and in good repair in accordance with 24 CFR 5.703. Homeowner/buyer will be provided with a copy of the release of lien from contractor, contractor's one (1) year warranty for the work performed, and manufacturer's warranty(ies). Once contractor is compensated in full for the work completed, the homeowner/buyer must contact the contractor and/or manufacturers directly with any issues experienced. Warranties will begin on the date of the certification of occupancy or completion.

Conflict Of Interest

The applicant and co-applicant must sign a conflict of interest disclosure attesting there is a conflict, potential conflict, or no conflict for all household members listed on the submitted application before program participation. The applying family must disclose immediate family ties to any covered person who is an employee, agent, consultant, officer, and elected or appointed official of the City.

Family ties include (whether by blood, marriage or adoption) the spouse, parent (including step parent), child (including stepchild), brother sister (including step-siblings), grandparents, grandchild, and in-laws of a covered person.

If there appears to be a conflict or potential conflict, a disclosure of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made must document the applicants file. An opinion of the City's Attorney will be included in the client file.

Homebuyer Program Policies

The City has established underwriting standards for homeownership assistance that evaluate housing debt and overall debt of the family, the appropriateness of the amount of assistance, monthly expenses of the family, assets available to acquire the unit, and financial resources to sustain homeownership. Underwriting standards also include reasonable lending and refinancing loans to which grant loans are subordinated to ensure that the terms of the new loan are reasonable. Underwriting guidelines are available upon request, can be found on the City's website at www.lauderhill-fl.gov.

Duration of the Agreement

Agreement will be in effect for a term of five (5), ten (10), or fifteen (15) years commencing on the date the original Mortgage and Note issued by the City are signed, to run for the duration of the affordability period established, or until one of the actions specified in Paragraph C occurs.

General Conditions

All notices or other communication which shall or may be given pursuant to this Agreement shall be in writing and shall be delivered by personal service, registered mail, or email to the other party indicated herein.

Homeowner/buyer shall indemnify and save the City and their agents hold harmless from and against any negligent claims, liabilities, losses and causes of action which may arise out Homeowner/buyer's activities under this Agreement, including all other acts or omission to act on the part of Homeowner/buyer, including any person acting for or on its behalf, and , from and against any orders, judgments, or decrees which may be entered, and from and against all costs, attorney fees, expenses and liabilities incurred in the defense of any such claims, or in the investigation thereof.

Enforcement Of The Agreement

The loan shall be evidenced by a Promissory Note and shall be secured by a Mortgage on the homeowner/buyer and property. Failure by the homeowner/buyer to comply with the terms of the Agreement and the loan documents will be considered a default, and appropriate legal actions will be taken. The Parties hereto agree that this Agreement shall be construed and enforced according to the laws of the State of Florida.

Certification

Homeowner/buyer must sign an agreement certifying at the time of application and approval, their annual income does not exceed eighty percent (80%) of the median income for the Fort Lauderdale/Broward County MSA; and the assisted unit is and will remain the primary residence during the affordability period.