

CITY OF HOLLYWOOD, FLORIDA

POLICIES GOVERNING COMMUNITY DEVELOPMENT DIVISION COMMUNITY DEVELOPMENT PROGRAMS

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I. Introduction

The purpose of the City of Hollywood's Community Development Programs Policy is to provide direction and guidelines for administering the divisions' programs operated with Federal, State, Local and private funds. As the City receives funding capable of leveraging federal and state funding and regulations governing federal and state funding are periodically modified, the Community Development Programs Policy will be similarly amended.

The City of Hollywood's Community Development Program Policies are designed for all applicable sources of funds allocated to the Community Development Division through Federal, State, and Local Programs. Eligibility for assistance, using federal funds, shall be determined pursuant to 24 CFR Part 5, as required by 24 CFR Section 92.203(c) for each funded program or project.

II. Program and Policy Administration

The administration of the City's Community Development Program Policies as set forth herein, and as amended from time to time, fall within the responsibilities of the Community Development Division. Administration and oversight of the Community Development Programs shall adhere to all applicable State and Federal regulations. As part of the Division's administrative oversight, all vendors and approved partnerships shall be subject to inquiry by the General Services Administration (GSA) system for the purpose of disseminating information on parties that are excluded from receiving federal contracts, certain subcontracts, and certain federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, 48 CFR Section 9.404, as amended from time to time, and each agency's codification of the Common Rule for Non-procurement suspension and debarment. Vendors and partnerships on the debarred list shall not be eligible for financial benefits. In addition, the Community Development Division shall adhere to this process when using other local or state funding sources.

III. Federal Programs

The City of Hollywood receives federal funding from the U.S. Department of Housing and Urban Development (HUD) to administer the Community Development Block Grant (CDBG) Program and Home Investments Partnership Program (HOME).

All activities funded in whole or in part with funds received from HUD remain subject to all applicable federal laws, regulations, and rules for funded projects. This includes

applicable Uniform Administrative Requirements set forth in [2 CFR Part 200](#), 2 CFR Part 225 and 2 CFR Part 230, the Recordkeeping requirements set forth in 24 CFR Section 92.508 and 24 CFR Section 570.506.

Furthermore, any recipient of federal funds is entitled to all rights and protections afforded by the federal laws applicable to HUD-funded projects.

Consolidated Planning Process

Stages in the Consolidated Plan Process

1. Identification of housing and community development needs.
2. Preparation of a draft use of funds for the upcoming program year, called the draft Five-Year Consolidated Plan and Annual Action Plan.
3. Formal approval by the City of Hollywood Commissioners of a final Five-Year Consolidated Plan and Annual Action Plan or,
4. On occasion during the year, it might be necessary to change the use of the funds already budgeted in an Annual Action Plan, or to change the priorities established in the Five-Year Consolidated Plan. In that case, a formal Substantial Amendment will be proposed, considered, and approved.
5. After each “program year” is complete, a Consolidated Annual Performance and Evaluation Report (CAPER) will be drafted for public review and comment and then submitted to HUD.

Consolidated Plan & Action Plan

Before implementing HUD funded activities, the City must complete a Consolidated Plan and Annual Action Plan as required in [24 CFR Part 91](#).

The process of completing and submitting the Consolidated Plan (and Annual Action Plans) helps the City to determine what activities to fund during the upcoming program year.

The Consolidated Plan (ConPlan) is a five-year plan which describes the community needs, resources, priorities, and proposed activities to be undertaken under the HUD programs. The ConPlan is designed to assist local jurisdictions, such as City of Hollywood, to assess its affordable housing and community development needs as well as current market conditions. This plan will help the City make data driven, community-based decisions. The ConPlan also helps provide a framework for community-wide dialogue to identify housing and community development priorities.

Each year, the City must submit an update to the ConPlan to HUD, referred to as an Annual Action Plan (AAP). The AAP describes the specific planned uses for CDBG and HOME. Both

the Consolidated Plan and Annual Action Plan are approved by City Council prior to HUD submission.

The Consolidated Plan includes the following:

1. A description of the entity responsible for overseeing the development of the Consolidated Plan and a description of the process undertaken to develop the plan;
2. A housing and homeless needs assessment;
3. A housing market analysis;
4. A strategic plan; and
5. A one-year Annual Action Plan.

CAPER or Final Year End Report

The City will gather the following information from City staff and subrecipients for each activity funded:

The activity's name, description, and location.

The activity matrix code and National Objective being met.

The amount expended during the program year.

The total cost of each multi-unit housing and 570.203(b) economic development activity.

The amount of unliquidated obligations for each public service and planning and administration activity if CDBG funds are not disbursed during the 90 days after the end of Hollywood's program year.

Activity status and specific units of accomplishments, including compliance with the applicable National Objective, during each program year.

Characteristics of beneficiaries of direct benefit activities (households/persons assisted, number of extremely low income, low incomes, moderate income, and ethnic characteristics.

Source and amount of program income received during the program year

This information will be reported on the City's Consolidated Annual Performance Evaluation Report (CAPER) each year. The Community Development Project Manager will be responsible for entering accomplishment data into IDIS ahead of generating the CAPER.

Additional guidance on preparation and submission of the Consolidated Plan, Annual Action Plan, and CAPER can be found in HUD's eCon Planning Suite Desk Guide [here](#).

Citizen Participation

Throughout the year, the City provides opportunities for citizen participation which supports in the development of the Annual Action Plan. The City's Citizen Participation Plan outlines these opportunities and all citizen participation requirements.

The following are examples of meetings which are open to the public and include discussions of the City's housing and community development needs and activities to be undertaken as described in the Annual Action Plan.

- Consolidated Annual Performance and Evaluation Report (CAPER) and Annual Needs Assessment Public Hearing
- Public Input Meetings (multiple are held throughout the year)
- City Commission
- Newspaper Ad in Local Newspaper Announcing Citizen Input
- Annual Action Plan Public Hearing & City Board Approval

The City will make Consolidated Plans and Annual Action Plans available for a 30-day comment period prior the final plan being submitted for approval. The CAPER will be available for a 15-day comment period prior to being submitted to HUD.

For more details about Citizen Participation requirements refer to the City's Citizen Participation Plan.

Community Development Block Grant (CDBG)

Introduction

The Housing and Community Development Act of 1974 (HCDA), authorized HUD to create the Community Development Grant (CDBG) Program. The program seeks to provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

In 1989, the City of Hollywood became a Community Development Block Grant (CDBG) Program entitlement community. To continue participation in this program, the City contractually agrees with HUD to implement the Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in 2 CFR Part 200.

This Policies & Procedures Manual establishes the framework guiding the operation of the City of Hollywood Community Development Block (CDBG) Program; which is administered by the Community Development Division (CD). It provides an approach for making decisions, ensuring the program is operated in a fair and consistent manner, as well as providing all program participants with an understanding of how the City manages

its CDBG program.

The City's participation in the CDBG Program is through the Metropolitan City Entitlement portion of this block grant. It became eligible for this entitlement when its population exceeded 50,000. The City receives funds directly from HUD each year, based on Congressional apportionment.

The primary objective of the CDBG Program is to develop sustainable communities for persons of low- and moderate-income (LMI), thereby improving the housing, quality of life, and economic conditions of the City of Hollywood community. HUD defines LMI as household income that is less than 80% of area median income.

Activities under City of Hollywood's CDBG Program must predominately benefit persons of low- and moderate-income, be eligible under the CDBG requirements, and meet a minimum of one of three HUD national objectives:

- Benefit LMI persons
- Aid in the prevention or elimination of slum or blight
- Meet an urgent need

Staff are encouraged to review the Basically CDBG Training Guidebook. It can be found on the HUD Exchange.

[Program Delivery Method](#)

Currently City of Hollywood uses CDBG funds to provide for neighborhood housing revitalization, infrastructure and public facilities expansion and improvements, as well as public service activities, which are subject to the 15% Public Services cap.

The City is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the grantee of this responsibility. The grantee is also responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise.

[Application Process](#)

The city announces funding availability for interested non-profit organizations serving the citizens of City of Hollywood. Typically, applications for funding are made available in January and due in February. Upon reviewing the applications for funding, staff will make the applications and all supporting documents available to the CDAB Committee, who reviews the submissions and makes recommendations to the City Commission of how the funding should be awarded. The CDAB Committee is made up of Hollywood residents. The Committee's funding recommendations are approved by Commission when they

approve the Annual Action Plan.

Subrecipient Agreements

As specified by 24 CFR 570.503, before disbursing funds to any organization that is carrying out CDBG activities on behalf of the City, a written subrecipient agreement must be executed. Furthermore, The U.S. Department of Housing and Urban Development stipulates those certain requirements be included in all written agreements with subrecipients. Current requirements for subrecipient agreements can be found on the HUD Exchange. These HUD requirements may vary over time, and it is the responsibility of the city to remain aware of revised requirements. If any such changes to the requirements are made by HUD, the city will make the necessary changes to its subrecipient agreements.

Written agreements must remain in effect for the length of time that the subrecipient has control over any CDBG funds, including program income and or property. However, it is good practice to update subrecipient agreements annually to ensure the agreements are current with regulations and requirements. This process also allows an opportunity to revisit and clarify problem areas or issues.

Contract Management

Contract management is a large part of the City's project management process and CD staff takes great pains to ensure that all parties are held to the roles and responsibilities for which they are receiving payment.

To this end, project delays or problems are often the result of misunderstandings, assumptions of the responsibilities of different parties in a contract, or of parties not performing their work to a standard.

Before entering into a contract, the city ensures that all contracts are written so that they are based on a lump sum or unit price. Moreover, the Community Development staff is careful of any hidden or unexpected costs or additional fees that may have been added to the contract. Such fees may include per hour additional fees for surveying, obtaining easements, etc. Often grantees may think these costs are part of the base contract and have not allowed for the additional cost in their budget.

The City Attorney is responsible for writing and reviewing all agreements with CDBG subrecipients and contractors. The City Attorney verifies that all required provisions are included in all CDBG contracts. The CDBG Coordinator is responsible for managing contracts with all CDBG subrecipients and contractors once they are executed

IDIS Workflow

All projects and activities are to be entered into IDIS **AFTER** a Subrecipient Agreement / Contract has been signed. The CD Senior Accountant or other designated CD staff must enter data on several different levels within IDIS.

Start of the Program Year – *Set up*:

- 1) At the beginning of each program year, Hollywood submits an Action Plan to HUD. The Action Plan contains a list of proposed projects that the city intends to undertake to meet the goals and objectives in their Strategic Plan.
- 2) The CD Senior Accountant or other designated CD staff enters those projects in IDIS. Projects form the organizational framework of the City's IDIS information. To draw down funds and to capture detailed program related accomplishment data, the CD Senior Accountant or other designated CD staff will set up at least one activity under each project. Activities are the basic building blocks in IDIS. All funds are expended, and all program accomplishments are reported at the activity level. A project may have one or more activities.
- 3) Once the basic data is entered for an IDIS activity, the CD Senior Accountant or other designated CD staff can commit CDBG funds to the activity. This commitment process ensures that the city does not budget more money than what is available. Once funds are committed to one activity, those funds are shown as unavailable for all other activities.

Program Year – *Implementation*:

- 1) Throughout the program year, expenses will be incurred and IDIS will be used to request drawdowns from grant funds to pay for these expenses. A drawdown is a request for payment against the City's line of credit. The CD Senior Accountant creates a voucher in IDIS to draw down funds. The City can then draw funds as required to pay for work that has occurred for an IDIS activity. The CD Manager or other designated CD staff approves the vouchers. Once the City creates and approves a drawdown voucher in IDIS, HUD will process the voucher request and wire-transfer the requested amount to the City in two to three business days.
- 2) IDIS will be used to report the receipt and use of program income.
- 3) The primary focus of Hollywood IDIS users and/or program staff is to ensure that data is accurate and that accomplishments are reported at least once a year.

End of the Program Year – *Reporting*:

- 1) At the end of the program year, accomplishment data and performance measures will indicate which projects have been completed.
- 2) Once the information is entered, IDIS can print out standardized reports that contain information that must be included in their annual report.

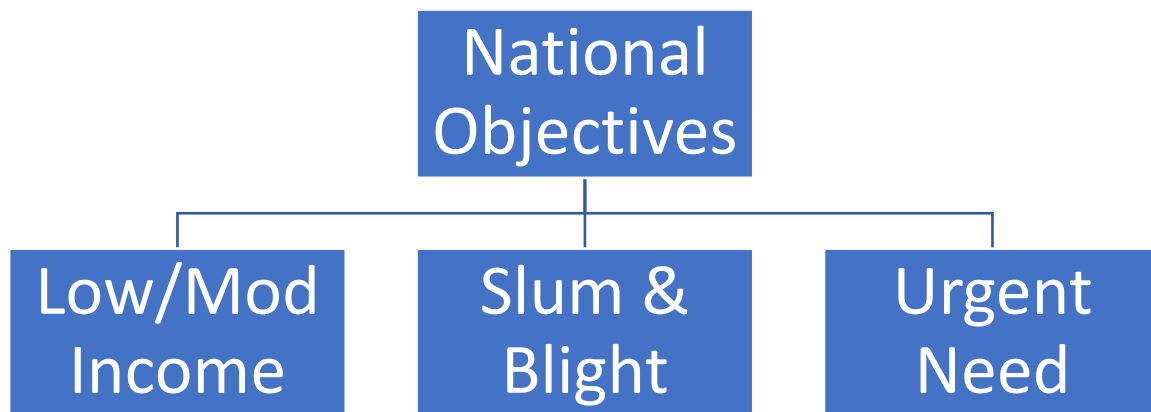
National Objectives

The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The three national objectives are:

- Benefit to low- and moderate- income (LMI) persons
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

An activity that does not meet a national objective is not compliant with CDBG requirements and may be subject to remedial actions. This section defines the national objectives and describes activities that are eligible and ineligible under the CDBG Program.

National Objectives are defined as the following:



LMI National Objective

The Low/Mod Income (LMI) national objective is the primary national objective. 24 CFR 570.200 (6)(2) & 570.208 requires City of Hollywood to expend 70% of the CDBG funds to meet the LMI national objective.

At least 51% or more of the persons and families benefiting must be low and moderate-income (LMI) for public services, public facilities, public improvements, and special economic development activities. For housing activities 51% or more of the units must be occupied by LMI persons and families. LMI can be determined by HUD census data or by conducting a survey. For public facility, public improvement, and public services, LMI is

generally calculated on an area basis, determined by the service area of the proposed activity. The service areas must be at least 51% LMI to meet the Low-Mod Area national objective. For special economic development activities, LMI is generally calculated by the number of LMI jobs created or retained.

- To be counted as a beneficiary of a project, LMI documentation must be obtained.
- A project may not be designed to benefit moderate-income persons to the exclusion of low-income persons.
- HUD's Section 8 program income guidelines (as modified by the Housing and Community Development Act of 1987) shall be used to define low and moderate-income for the CDBG Program. The annual income limits are available from <https://www.huduser.gov/portal/datasets/il.html>. If HUD has not published the applicable year's limits, then the City shall use the limits from the previous year.
- "Income" is a family's total adjusted gross income. Any person that belongs to an LMI family is considered an LMI person.

Limited Clientele

Limited Clientele activities benefit a specific targeted group of persons of which at least 51 percent must be LMI. In order to meet the LMI Limited Clientele criteria, the activity must:

- Serve at least 51 percent LMI, as evidenced by documentation and data concerning beneficiary family size and income;
- Have income-eligibility requirements which limit the service to persons meeting the LMI income requirement, as evidenced by the administering agency's procedures, intake/application forms, income limits, and other sources of documentation;
- Serve a group primarily presumed to be LMI such as abused children, victims of domestic violence, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers; or
- Be of such a nature and in a location that it may be concluded that the activity's clientele is LMI.

Area Benefit

An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.

An area is considered to meet the test of being LMI if there is a sufficiently large percentage (51 percent) of LMI persons residing in the service area as determined by:

- The most recently available decennial Census/American Community Survey (ACS) information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau; or

- A current survey of the residents of the service area.

Housing Activities

The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. In order to meet the housing LMI national objective, structures with one unit must be occupied by a LMI household. If the structure contains two units, at least one unit must be LMI occupied. Structures with three or more units must have at least 51 percent occupied by LMI households.

Under the following limited circumstances, structures with less than 51 percent LMI occupants may be assisted:

- Assistance is for an eligible activity that reduces the development cost of new construction of non-elderly, multi-family rental housing; and
- At least 20 percent of the units will be occupied by LMI households at an affordable rent; and
- The proportion of cost borne by CDBG funds is no greater than the proportion to be occupied by LMI households

Job Creation or Retention Activities

The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons.

- Activities that create jobs, there must be documentation indicating that at least 51 percent of the jobs will be held by, or made available to, LMI persons.
- Activities that retain jobs, there must be sufficient information documenting that the jobs would have been lost without the CDBG assistance and that one or both of the following applies to at least 51 percent of the jobs:
 - The job is held by a LMI person; or
 - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person.

For the purpose of determining if the preceding requirements are met, a person may be presumed to be LMI if the person:

- resides in a Census tract/block numbering area that has a 20 percent poverty rate (30 percent poverty rate if the area includes the central business district); and the area evidence pervasive poverty and general distress; or
- lives in an area that is part of a Federally designated Empowerment Zone (EZ) or Enterprise Community (EC); or

- resides in a Census tract/block numbering area where at least 70 percent of the residents are LMI.

As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under the job creation and retention category for meeting a national objective. However, in certain cases, such as where CDBG funds are used to acquire, develop, or improve a real property (e.g., a business incubator or an industrial park), the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

Additionally, where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any program year.

Determining Income

Subrecipients must serve persons of low and moderate income:

- Extremely low-income is defined as a household with adjusted gross income that does not exceed 30% of area median income as defined by HUD (i.e. <30% AMI).
- Low-income is defined as a household with adjusted gross income that does not exceed 50 percent of area median income (i.e. 30-50% AMI).
- Moderate-income is defined as a household that has an income that does not exceed 80 percent of area median income (i.e. 50-80% AMI).

HUD updates these limits on an annual basis. It is the responsibility of the subrecipient to adhere to all new guidelines from the date they receive them by navigating the internet to the HUD user portal for income limits. . It is the responsibility of the subrecipient to document that the beneficiaries of the CDBG activity being funded are indeed low to moderate income.

Elimination of Slum & Blight

The city does not currently undertake activities that met this national objective, however if it did, a project must propose one of the two different methods as per 24 CFR 570.208(6) to meet the national objective.

1. The first method occurs when a structure is blighted; when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety, and public welfare. For the City to participate in this activity it must, at a minimum, determine blighted structures by applying existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation or code violation in a manner consistent with their ordinance. The

ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.

2. The second method covers area blight and includes submitting a resolution passed by the governing legislative body declaring the area blighted in accordance with 24 CFR 570. To qualify as a blighted area, the area must meet the conditions of either (a) or (b) below:
 - a) At least 25% of the properties throughout the area experience one or more of the following conditions:
 - i. Physical deterioration of buildings or improvements,
 - ii. Abandonment of properties
 - iii. Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings,
 - iv. Significant declines in property values or abnormally low property values relative to other areas in the community, or
 - v. Known or suspected environmental contamination.
 - b) The public improvements throughout the area are in a general state of deterioration.

Slum Blight Spot Basis (SBS)

These are activities that eliminate specific conditions of blight or physical decay on a spot basis and are not located in a designated slum or blighted area. In order to be eligible for assistance, the hazards and decay at the location must be able to be readily documented (such as through citations from the City's Code Enforcement for severe code violations). Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities. Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

Urgent Need

The use of the urgent need national objective as per 24 CFR 570.208 (c) is rare. It is generally used for activities to alleviate emergency conditions. Examples include but are not limited to:

- Acquisition of property located in a flood plain that was severely damaged by a recent flood;
- Public facility improvements like the reconstruction of a publicly owned hospital that was severely damaged by a tornado, hurricane, or fire;
- Demolition of structures that are severely damaged by a major earthquake;
- Public services like additional police protection to prevent looting in an area damaged by a recent hurricane;
- Interim assistance such as emergency treatment of health problems caused by a

flood; and

Urgent need qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- City of Hollywood is unable to finance the activity on its own; and
- Other sources of funding are not available.

CDBG Eligible Activities

Public Facilities and Infrastructure Improvement

Eligible public facilities and improvement activities per [24 CFR 570.201\(c\)](#) include:

- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements
- Removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements
- Execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art

Eligible types of facilities and improvements include:

- Infrastructure improvements (construction or installation) including, but not limited to streets, curbs, and water and sewer lines
- Neighborhood facilities including, but not limited to public schools, libraries, recreational facilities, parks, playgrounds
- Facilities for persons with special needs such as facilities for the homeless or domestic violence shelters, nursing homes, or group homes for the disabled.

Public Services

Eligible public services activities per [24 CFR 570.201\(e\)](#) include but are not limited to:

- Employment services (e.g., job training)
- Crime prevention and public safety
- Childcare
- Health services
- Substance abuse services (e.g., counseling and treatment)
- Fair housing counseling
- Education programs
- Energy conservation
- Services for senior citizens
- Services for homeless persons
- Services for Victims of Domestic Violence
- Mental health services
- Recreational services

CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

Housing

Eligible housing activities under CDBG include:

- Housing Services ([24 CFR 570.201\(k\)](#)): Funds may be used to pay costs in support of activities eligible for funding under the HOME program.
- Homeownership Assistance ([24 CFR 570.201\(n\)](#)): Funds may be used to provide direct homeownership assistance to LMI households such as down payment and closing cost assistance.
- Homeowner Rehabilitation ([24 CFR 570.202](#)): Funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.
- Rental Housing Activities ([24 CFR 570.202](#)): Funds may be used for acquisition of property for an eligible rental housing project or to rehabilitate rental housing.

Economic Development

Eligible economic development activities under CDBG include:

- Special Economic Development ([24 CFR 570.203](#)): funds may be used to acquire, construct, reconstruct, rehabilitate, or install commercial or industrial buildings, structures, and other real property equipment and improvements and provide assistance to private, for-profit businesses.
- Technical Assistance ([24 CFR 570.402](#)): Funds may be used to provide technical assistance and training directly to businesses on topics such as business planning or accounting.
- Microenterprise Development ([24 CFR 570.201\(o\)](#)): Funds may be used to foster the development, support, and expansion of microenterprise businesses. A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise.
- Commercial Rehabilitation ([24 CFR 570.202](#)): Funds may be used to bring commercial structures up to code or improve their facades.

Clearance and Demolition

Eligible clearance activities per [24 CFR 570.201\(d\)](#) include:

- Demolition of buildings and improvements
- Removal of demolition products, rubble, and other debris
- Physical removal of environmental contaminants or treatment of such contaminants to render them harmless
- Movement of structures to other sites.

Program Administration

Eligible administrative activities per [24 CFR 570.206](#) include but are not limited to:

- General management, oversight, and coordination

- Fair Housing activities
- Community Development plans
- activities intended to improve grantee capacity

CDBG Ineligible Activities

As per [24 CFR 570.207](#), the following activities may **not** be assisted with CDBG funds:

(1) Buildings or portions thereof, used for the general conduct of government as defined at § 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under § 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in § 570.208.

(2) General government expenses. Except as otherwise specifically authorized in 24 CFR Part 570 or under 2 CFR part 200, subpart E, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

(3) Political activities. CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(4) As per 24 CFR Part 570.207, the following activities may not be assisted with CDBG funds unless authorized under provisions of § 570.203 or as otherwise specifically noted below or when carried out by an entity under the provisions of § 570.204.

(1) Purchase of equipment. The purchase of equipment with CDBG funds is generally ineligible, with the following exceptions:

(i) Construction equipment. The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing or depreciation pursuant to 2 CFR part 200, subpart E, as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under § 570.201(c).

(ii) Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under § 570.201(c).

(iii) *Furnishings and personal property.* The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation in accordance with 2 CFR part 200, subpart E, for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to § 570.201(e).

(2) *Operating and maintenance expenses.* The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under § 570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of potholes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

(ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

(3) *New housing construction.* Activities in support of the development of low or moderate-income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in § 570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:

(i) As provided under the last resort housing provisions set forth in 24 CFR part 42;

(ii) As authorized under § 570.201(m) or (n);

(iii) When carried out by a Community Based Development Organization pursuant to § 570.204(a);

(4) *Income payments.* The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or family for items

such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

Religious Activities

In accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities. Subrecipient may not use CDBG funds for the acquisition of property or the construction or rehabilitation of structures to be used for religious purposes or which will otherwise promote religious interests.

However, CDBG funds may be used by religious organizations or on property owned by religious organizations only in accordance with requirements set in Section 24 CFR 570.200(j).

Subrecipients shall comply with First Amendment Church/State principles as follows:

- It will not discriminate against any employee or applicant for employment and will not limit employment or give preference in employment to persons based on religion.
- It will not discriminate against any person applying for public services and will not limit such services or give preference to persons based on religion.
- It will retain its independence from Federal, State, and Local governments and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided it does not use direct CDBG Funds to support any inherently religious activities, such as worship, religious instruction, or proselytizing.
- It shall not use Funds for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Where a structure is used for both eligible and inherently religious activities, CDBG Funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities, in accordance with the cost accounting requirements applicable to CDBG Funds in this part. Sanctuaries, chapels, or other rooms that a CDBG funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG funded improvements.

Examples:

Likely Eligible: A church hosts a weekly soup kitchen in their auditorium. No other activities are hosted in the auditorium. While the building as a whole is a religious institution and volunteers are often members of the congregation, there are no religious requirements or activities surrounding the soup kitchen, and no other activities take place

in the auditorium. CDBG funds could thus be used to improve aspects of the auditorium, such as making the entrance of the auditorium handicap accessible.

Likely Ineligible: A church runs a homeless shelter which requires residents to pray daily. This religiously affiliated homeless shelter would not be eligible for CDBG improvements.

Procurement

All procurements made in whole or in part with CDBG funds must comply with the applicable Federal requirements found in 2 CFR Part 200.317-326 and with the City's procurement policy. Federal requirements governing the purchasing process are designed to ensure that grantees:

- Follow a free and open competitive process in securing those products or services.
- Properly document your purchasing activities and decisions.
- Observe the special rules for particular kinds of purchases (small purchases, competitive sealed bids, competitive proposals, and sole source procurements).
- Properly bond and insure work involving large construction contracts and/or subcontracts.
- Use local businesses and contract with small, minority and/or women-owned businesses to the maximum extent feasible.

Below are the City's procurement threshold requirements for quotes prior to submitting a requisition:

| Threshold | Quotation Requirement |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Up to \$5,000 | One written quotation forwarded to the Procurement Office. |
| Over \$5,000 to \$25,000 | Three written quotations forwarded to the Procurement Office. |
| Over \$25,000 to \$50,000 | Three written quotations and a completed Quote Approval Form forwarded to the Procurement Office. |
| Over \$50,000 | Completed Solicitation Request Form submitted to the Procurement Office along with a draft formal competitive Solicitation (Bid, RFP, RLI, etc.), detailed specifications and/or a thorough scope of work to allow for a formal solicitation. Best Interest and Emergency Procurements must include one written quote or proposal and City Manager authorization of up to \$100,000. A Resolution of City Commission approval, if over \$100,000. |

More details on the City's procurement policy can be found in the Office of Procurement and Contract Compliance's Procurement Manual.

Real Property

For real property acquired or improved in whole or in part with CDBG funds over \$25,000, the grantee cannot permit a change of use or planned use of the property (including the beneficiaries of such use) without first providing its citizens notice and opportunity to comment (as governed by 24 CFR 570.505) and determining that either:

- The contemplated new use meets one of the National Objectives (24 CFR 570.208) and is not a building for the general conduct of government (24 CFR 570.207(a)(1)).
- The grantee determines that the contemplated new use is appropriate (after consultation with its citizens) but will not meet a National Objective. In this latter case, the grantee must reimburse the CDBG program in the amount of the current fair market value of the property, less the value attributable to the non-CDBG portion of the acquisition or improvements.

For subrecipients, the Subrecipient Agreement must be explicit about the use of any real property under your control that your organization acquired, leased, or improved in whole or in part with CDBG funds over \$25,000. For such instances, 24 CFR 570.503(b)(7) mandates that for such real property either:

- Meet one of the CDBG program's National Objectives for at least 5 years after the expiration of the Subrecipient Agreement (or longer time as specified by the grantee in your Agreement) (24 CFR 570.503(b)(7)(i)).
- If a National Objective is not met during this period, your organization must reimburse the grantee for the CDBG share of the current fair market value (24 CFR 570.503(b)(7)(ii)).

CPD Notice CPD 17-09, "Managing of Community Development Block Grant Assisted Real Property," found [online through the HUD Exchange](#), which provides additional guidance to grantees and subrecipients in meeting program requirements relating to real property acquisition, management, and disposition. The Notice includes common scenarios for acquisition, demolition, and disposition in the CDBG program, including special sections on change of use.

Equipment

In certain cases, CDBG funds may be used for equipment:

- To purchase, lease, or to pay depreciation in accordance with 2 CFR part 200, subpart E, for such items when necessary for an organization to administer activities assisted with CDBG funds.
- When eligible as firefighting equipment.
- When such items constitute all or part of a public service pursuant to 24 CFR 570.201(e), such as a Meals on Wheels vehicle; however, leasing vehicles is normally the preferred option (2 CFR 200.465(e)).

For organizations using CDBG funds for equipment, the following principles apply:

- Organizations must use equipment purchased with CDBG funds for the CDBG program or project as long as needed, whether or not the program or project continues to be supported by Federal funds.
- During the time that an organization or its designee is using equipment for the CDBG-funded program, it must also make the equipment available for use on other Federally funded projects or programs, provided that such use does not interfere with work on the CDBG-funded program (2 CFR 200.313(c)(2)).
- When no longer needed for the CDBG-funded program, other Federally-supported agencies may use the equipment, in the following order of priority: (i) Activities under a Federal award from HUD, then (ii) Activities under Federal awards from other Federal agencies. This includes consolidated equipment for information technology systems (2 CFR 200.313(c)(i)(ii)).
- HUD prohibits organizations from using CDBG-acquired equipment to provide services for a fee that competes unfairly with private companies that provide equivalent services unless specifically authorized by Federal statute (2 CFR 200.313(c)(3)).
- With the approval of the City, organizations may trade in equipment acquired with CDBG funds for updated equipment (2 CFR 200.313(c)(4)).

Reversion to City/HUD

Under regulation 2 CFR 200.313, the City/HUD has the option to obtain the equipment from the program when funding stops for the program. The review of the type of equipment to be purchased will include mention of its possible usefulness to the city. The city may also permit the Subrecipient to retain the equipment at the time the funding ends. All other personal property, supplies and equipment purchased pursuant to the subrecipient agreement and not consumed may become property of the City/HUD.

CDBG-CV

Background

The U.S. Department of Housing and Urban Development's (HUD's) Community Development Block Grant program (CDBG) can be employed by states and local units of government to support economic and community development efforts in response to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) includes \$5 billion for the Community Development Fund, enabling additional HUD support for City of Hollywood CDBG programs. These special allocation funds are referred to as CDBG-CV funds.

All regular CDBG program requirements and City of Hollywood policies apply to CDBG-CV funding, unless otherwise specified in these guidelines.

In addition to standard CDBG program regulations, the CARES Act funding requirements also include:

- All activities funded must either prepare for, prevent, or respond to the coronavirus pandemic.
- The funded activities must meet all CDBG regulations (24 CFR 570) as well as the requirements established HUD's CARES Act Federal Register Notice (FR-6218-N-01).
- CDBG-CV funds may be utilized to reimburse the City of Hollywood and subrecipients for eligible project related expenses dating back to January 21, 2020.
- The City has six years to expend the CDBG-CV funds
- Seventy percent of all the grant funds (minus administration costs) must benefit Low-to-moderate (LMI) residents of the City.
- Any Program Income, such as a loan repayment, will be considered general CDBG funding and reallocated for eligible CDBG projects at a later date.
- With each allocation phase of the CARES Act funding, the 2019 Annual Action Plan (AAP) must be amended and adopted by the City Commission and submitted to HUD.
- The CARES Act and recent HUD programmatic waivers provide flexibility for the administration of the 2019 and 2020 CDBG entitlement funding as well as all CDBG-CV allocations. These flexibilities include shortened public comment periods, online publication of program related public notices, the use of virtual public hearings, and the suspension of the 15% public services cap.

FR-6218-N-01: Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for CDBG-CV Grants, FY 2019 and 2020 CDBG Grants, and for Other Formula Programs can be reviewed online through the HUD Exchange.

The Sections below contain the Policies and Procedures for each program the City will implement with CDBG-CV funding to prepare for, prevent, and respond to Coronavirus.

CDBG-CV Public Facilities

Purpose

The City of Hollywood will utilize the Community Development Block Grant-Coronavirus (CDBG-CV) program funded by the US Department of Housing and Urban Development (HUD) for the improvements of community centers.

Funding Regulations

This grant program is funded by HUD via the Community Development Block Grant Coronavirus Response (CDBG-CV) funds. All regular CDBG program requirements, and City of Hollywood CDBG Policies and Procedures apply to CDBG-CV funding, unless otherwise specified in these guidelines

The Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) authorized this funding for grants to prevent, prepare for, and respond to coronavirus. This grant program has been designed following guidance issued by HUD in its “Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs.” [Docket No. FR-6218-N-01]

Eligible Expenses and Backup

Funding is being provided for the improvements of community centers. Eligible expenses include but are not limited to hard and soft construction costs, plans/specs, permits and fees, mobilization, survey and all other associated costs for a center improvement.

Payment requests and required back-up will be submitted in a manner that is consistent with the City of Hollywood policies and in the Exhibit section of the agreement.

Prepare Prevent and Respond to COVID-19

The improvements to these facilities will help narrow the digital divide through the provision of broadband infrastructure for low-income residents in need due to Coronavirus. Broadband connectivity provides access to a wide variety of resources, services, and products and closes the gap in education, services and employment opportunities that exists in these low-and-moderate income communities.

Change of Use

The property will be deed restricted for five (5) years commencing on the date of the project initially meeting a National Objective. Any proposed change of using during this time will follow the requirements of 24 CFR Part 570.505.

National Objective

These activities will meet the Low-Mod Area National Objective.

Monthly or Quarterly Reports

On a monthly or quarterly basis, the subrecipient will provide reports to the City on the status of construction and timeliness. The city will use the information to fulfill its responsibility to demonstrate that the CDBG National Objective of benefitting Low to Moderate (Low to Mod) Persons is met.

CDBG-CV Public Services

Purpose

The City of Hollywood will utilize the Community Development Block Grant-Coronavirus (CDBG-CV) program funded by the US Department of Housing and Urban Development (HUD) for public services such as food pantries, case management services, subsistence payments, and homeless services.

Funding Regulations

This grant program is funded by HUD via the Community Development Block Grant Coronavirus Response (CDBG-CV) funds. All regular CDBG program requirements, and City of Hollywood CDBG Policies and Procedures apply to CDBG-CV funding, unless otherwise specified in these guidelines

The Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) authorized this funding for grants to prevent, prepare for, and respond to coronavirus. This grant program has been designed following guidance issued by HUD in its “Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs.” [Docket No. FR-6218-N-01]

Eligible Expenses and Backup

Funding is being provided to various subrecipients to provide public services. The city has verified each activity prepares, prevents, or responds to the Coronavirus and included documentation in the file.

As per 2 CFR 200.430(i) the subrecipient must submit, with each pay request, backup documentation verifying eligible expenses to be reimbursed, including timesheets that accurately reflect the work performed for all staff costs being reimbursed under this award.

National Objective

These activities will meet the Low-Mod Clientele national objective, under which at least 51% of all persons served are low-moderate income. The subrecipient must obtain income verification from all applicants assisted. The subrecipient may use self-certification of income pursuant to 24 CFR 570.506(b).

Monthly or Quarterly Reports

On a monthly or quarterly basis, the subrecipient will provide reports to the city on the status of construction and timeliness. The city will use the information to fulfill its responsibility to demonstrate that the CDBG National Objective of benefitting Low to Moderate (Low to Mod) Persons is met.

CDBG-CV Small Business Relief Program

The Small Business Relief Program (the “Program”) is designed for impacted small businesses that had established success in their market prior to the COVID-19 disruption and were required to close or reduce operations due to the safer at home orders and business operations were negatively impacted by the COVID-19 pandemic. This relief Program is funded by a supplemental appropriation of Community Development Block Grant (CDBG-CV) funding made available under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act.

Small Business Relief Grant

The Small Business Relief Grant serves businesses with twenty (20) or less employees at the time of application. There is a job creation/retention requirement where the business must create/retain one (1) employee and that employee must have a household income at or below 80% of the Area Median Income (see below chart for qualifications). Grants provided will be up to \$10,000 per everyone (1) newly hired or retained employee with a maximum of \$20,000 per applicant.

Eligibility Requirements

1. Business must be located within Hollywood city limits, currently in-business, and must have been operating for at least 12-months prior to March 1, 2020.
2. Business must be in good standing with no outstanding property code enforcement issues.
3. Business must have no more than twenty (20) employees (full-time, part-time, including owners).
4. Applicant is 51% + majority owner of business
5. Business must be a “for-profit” enterprise operating legally in the City of Hollywood. Not-for-profit organizations and home-based businesses are not eligible to participate in the Program.
6. Business must have experienced at least a 50% reduction in revenue as a result of the COVID-19 disruption.
7. Business must retain at least one (1) job **OR** hire one (1) new job.

8. Income restrictions apply for this grant, the retained one (1) job OR hired one (1) new job must be low-to-moderate income and meet the City's income eligibility requirements as established by the federal and/or state guidelines.

Micro-Enterprise Small Business Relief

The Micro-Enterprise Small Business Relief Grant serves businesses with five (5) or less employees (including the business owner) at the time of application. Business owners must 1) have a household income at or below 80% of the Area Median Income (see below chart for qualifications), 2) be a business that provides essential services (see below table of qualifying businesses that provide essential services), and 3) be negatively impacted by the COVID-19 pandemic by demonstrating at least a 50% loss in revenue. Grants provided will be up to \$5,000 per business and may be used as working capital.

Eligibility Requirements

1. Business must be located within Hollywood city limits, currently in-business, and must have been operating for at least 12-months prior to March 1, 2020.
2. Business must provide an essential service (as [defined by Governor DeSantis' Executive Order 20-91](#)).
3. Business must be in good standing with no outstanding property code enforcement issues.
4. Business must have no more than five (5) employees (full-time, part-time, including owners).
5. Applicant is 51% + majority owner of business
6. Business must be a "for-profit" enterprise operating legally in the City of Hollywood. Not-for-profit organizations and home-based businesses are not eligible to participate in the Program.
7. Business must have experienced at least a 50% reduction in revenue as a result of the COVID-19 disruption.
8. Income restrictions apply for this grant, the business owner must be low-to-moderate income and must meet the City's income eligibility requirements as established by the federal and/or state guidelines

Prepare Prevent and Respond to COVID-19 (PPR Tieback)

Funding is being awarded to small businesses to retain jobs and stabilize local small businesses that have experienced economic hardships resulting from the COVID-19 pandemic and associated Executive Orders. The primary objective of the Program is to assist low- to moderate- income persons through job creation and retention. Upon receiving the application for funding the City completes a full underwriting of the available

sources and uses of funding for the proposed programing. The City confirms there was no duplication of benefits at the time of the award.

Funding Regulations

This grant program is funded by HUD via the Community Development Block Grant Coronavirus Response (CDBG-CV) funds. The Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) authorized this funding for grants to prevent, prepare for, and respond to coronavirus. This grant program has been designed following guidance issued by HUD in its “Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs.” [Docket No. FR-6218-N-01]

Ineligible Businesses

The following business types are not eligible for assistance under this program:

- Real estate investment
- Lending and investment institutions, insurance companies, golf courses, or chain stores
- Adult entertainment
- Massage parlors, Hot tub facilities, Escort service
- Liquor, tobacco, CBD/medical marijuana, and vape stores
- Pawn shops
- Home based businesses
- Sales of firearms or other weapon dealers
- Currently bankrupt businesses (corporate or personal)
- Non-profit entities
- Businesses that have conflict of interest with the City of Hollywood
- Businesses that have received COVID-19 federal or state funds in excess of \$100,000
- Other ineligible uses as determined solely by the City of Hollywood

Eligible Expenses

- Rent / Mortgage Payments
- Utilities (Electric, Natural Gas, Water, Internet, Telephone, etc.)
- Employee wages

Program And Grant Award Process

Initial Screening: City will conduct an initial screening for completed applications and supporting documentation and program eligibility. Applications will be reviewed in the order in which they were received/timestamped.

Process: Complete submissions (applications and required supporting documentation) will be granted awards on a first-come, first-served basis until program funds are exhausted. The City will need to complete federally required 3rd party income verification and income certification procedures. This period could take up to 30-days.

Contract Agreement: City staff will contact business owner awardees via email, and business owner will have 48-hours to verbally accept award and to arrange for signed contract agreement with the City which is necessary in order to receive the grant.

Award: Recipients will receive award directly in the form of a check. Business owners will need to complete and submit a Form W-9 and provide their Social Security Number (SSN) OR Individual Taxpayer Identification Number (ITIN) number OR Employer Identification Number (EIN).

Feedback: Recipients will agree to participate in a survey 6 months after receiving award to assess financial health of the business.

Home Investment Partnership Program (HOME)

Introduction

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA) and is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing.

HOME funds are used to achieve the following objectives:

- To provide decent affordable housing to lower-income households.
- To expand the capacity of non-profit housing providers.
- To strengthen the ability of state and local governments to provide housing.
- To leverage private sector participation.

Eligible Activities

HOME funds may be used to develop and support affordable rental housing and homeownership affordability through:

- Acquisition (including assistance to income-qualified homebuyers),
- New construction (includes adding additional units to an existing structure),
- Reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including related costs such as:
 - Real property acquisition,
 - Site improvements,
 - Demolition, and
 - Other eligible expenses including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations;
- Tenant-based rental assistance to eligible household(s), including security deposits;
- Operating expenses of community housing development organizations.

**All housing supported with HOME funds must be permanent or transitional housing.*

*** A HOME assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and will be subject to recapture.*

Eligible Properties

- 1-4 Single family unit homes
- Condominiums/Cooperatives
- Group Homes
- Transitional Housing & Single Room Occupancy Units

- Permanent Supportive Housing
- Rental Unit housing (scattered site or development)
- May be one or more buildings on a single site, but project must be assisted with HOME funds as a single undertaking.

Eligible Project Costs

HOME funds may be used to pay the following eligible costs:

- Acquisition Costs
- Development Hard Costs
- Related Soft Costs
- Community Housing Development Organization Costs (if an approved CHDO- project)
- Relocation Costs (if required under the Uniform Relocation Act)

These project costs are explained in further detail in the following pages.

NOTE: If a property supported (acquired, rehabilitated, etc.) with HOME funds is ultimately unable to provide affordable housing in accordance with HUD regulations, the project will be deemed ineligible and subject to the recapture of HOME funds.

Acquisition Costs:

- Includes costs of acquiring improved or unimproved real property
- Acquisition of vacant land or demolition can only be undertaken for a housing project intended to provide affordable housing.
- Costs to make utility connections to an adjacent street or to make improvements to the project site, in accordance with the provisions of § 92.206(a)(3)(ii) and (iii) are also eligible in connection with acquisition of standard housing.
- Acquisition costs must be supported by an independent real estate appraisal or assessment.

Development Hard Costs:

- Includes the actual cost of constructing or rehabilitating housing.
- **New Construction:** Project costs must meet the City of Hollywood Construction Standards.
- **Rehabilitation:** Project costs must meet the City of Hollywood Construction Standards.
- Demolition of Existing Structures (the Uniform Relocation Act applies if occupied);

- Creation of utility connections including off-site connections from the property line to the adjacent street.
- Improvements to the project site (only property owned by the project owner, where the project is located) that are in keeping with improvements of surrounding, standard projects. Including:
 - On-site roads or driveways
 - Sewer Lines
 - Water lines
 - Necessary and reasonable landscaping (including abatement or covering of soil if lead-contaminated)
 - Costs to construct or rehabilitate laundry and/or community facilities located in the same building as the housing for the use of project residents (only applicable to multi-unit RENTAL housing).

Soft Costs:

- Costs include other reasonable and necessary costs incurred by the owner and associated with the financing, or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds.
- These costs include, but are not limited to:
 - Architectural Services;
 - Engineering Services;
 - Preparation of plans, drawings, specifications, or work write-ups;
 - Costs to process and settle the financing for a project;
 - Private lender origination fees;
 - Credit reports;
 - Fees for title evidence;
 - Fees for recordation;
 - Filing of legal documents;
 - Building permits;
 - Attorney's fees;
 - Private appraisal fees;
 - Fees for an independent cost estimate;
 - Builders or developer fees;

- Costs of a project audit;
- Affirmative marketing and fair housing information to prospective homeowners and tenants
- Staff costs directly related to carrying out the project, such as:
 - Work specifications preparation,
 - Loan processing inspections, and
 - Other services related to assisting potential owners, tenants, and homebuyers.
 - Housing counseling (only for individuals who ultimately occupy a HOME unit)
 - All costs must be reasonable and thoroughly documented (including timesheets detailing actual time worked on HOME activities).
- Costs of environmental review and release of funds in accordance with 24 CFR Part 58 which are directly related to the project.
- Cost of funding an initial operating deficit reserve, not to exceed 18 months (ONLY eligible for new construction or rehabilitation projects):
 - Only can be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service.
 - Any HOME funds placed in an operating deficit reserve that remains unexpended after the period of project rent-up may *only be retained for project reserves with express City permission*.
- Relocation costs (for persons displaced by the project):
 - Replacement housing payments
 - Moving expenses
 - Other reasonable out-of-pocket costs incurred in the temporary relocation of persons.
 - Staff time associated with providing relocation to displaced persons (including referrals housing search assistance, property inspections, counseling, and other assistance necessary to minimize hardship).
- Payment of Construction Loan, Bridge Financing, or Guaranteed Loan (principle & interest), and related carrying costs if:
 - The Project meets all HOME requirements, and the loan was used for eligible costs specified in HOME Regulations and these policies and procedures manual; &
 - The HOME assistance is part of the original financing for the project.

- Permissible carrying costs include required insurance costs, construction loan interest, utility, and current tax payments during the development period.

Community Housing Development Organization (CHDO) Costs:

- A CHDO is defined as a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2.
- CHDO's must have paid staff with demonstrated capacity appropriate to the CHDO's role (this requirement cannot be met through volunteer, donated staff, shared staff, or board members).
- CHDO status must be recertified regularly by the City of Hollywood. Recertification shall occur no less than annually and will be a required part of any submission if seeking CHDO funds. A certification shall be completed by the City in advance of any commitment of CHDO funds to a project. The City's CHDO Certification Application and internal CHDO Checklist shall be used to determine and certify eligible CHDO status. The completed CHDO Application and Checklist shall be stored in the project file.
- In an owner or developer role, the CHDO must own the HOME-assisted housing in fee simple absolute or have a long-term ground lease.
- Costs may include operating expense and capacity building costs for eligible CHDOs; however, this is a separate application process, need must be documented, and City approval must occur before these expenses will be permitted.
- Operating expenses means reasonable and necessary costs for the operation of the community housing development organization, such costs include:
 - Salaries, wages, and other employee compensation and benefits;
 - Employee education,
 - Training, and travel;
 - Rent;
 - Utilities;
 - Communication costs;
 - Taxes; insurance;
 - Equipment; &
 - Materials and supplies.

Costs **DO NOT** include operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program.

Tenant Based Rental Assistance:

- Eligible costs include the rental assistance and security deposit payments made to provide tenant-based rental assistance for eligible households.
- Administration of tenant-based rental assistance is generally eligible only under Administrative Expenses (subject to administrative CAP). Specific exceptions will apply where costs for income certifications and unit inspections can be directly assigned to individual projects.

Ineligible Activities

HOME funds shall not be used to:

- Provide project reserve accounts, except as provided in § 92.206(d)(5), or operating subsidies;
- Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act;
- Provide non-federal matching contributions required under any other Federal program;
- Provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
- Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low-Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
- Provide assistance (other than tenant-based rental assistance or assistance to homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under §92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see § 92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under § 92.250.
- Pay for the acquisition of property owned by the City of Hollywood, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project;
- Pay delinquent taxes, fees, or charges on properties to be assisted with HOME funds.
- Pay for pre-award costs (costs incurred prior to the execution of the written agreement). (Eligible pre-award costs are narrowly defined under §92.206(d); and may only be reimbursed if prior written authorization was provided by the City.)
- Pay for any cost that is not expressly eligible under 92.206 through 92.209.
- Support activities in connection with litigation involving discrimination or fair housing as set forth in section 224 of the Act.

Levels of Assistance

Minimum amount of assistance. The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is \$1,000/HOME-assisted unit.

Maximum per unit HOME Investment is tied to the Section 234-Condominium Housing basic mortgage limits, for elevator-type projects, which is updated annually and can be found online through the HUD Exchange.

Projects Containing both HOME and Non-HOME Units:

HOME funds may be used to assist one or more housing units in a multi-unit project that contains other non-HOME units. However, the following additional restrictions apply:

- Only the actual HOME eligible development costs may be supported by the HOME program.
- Actual Costs can be determined by the following:
 - If the assisted and non-assisted units are not comparable (non- HOME units contain luxury materials, for example) the actual costs may be determined based on a method of cost allocation.
 - If the assisted and non-assisted units are comparable in terms of size, features and number of bedrooms, the actual cost of the HOME- assisted units can be determined by pro-rating the total HOME eligible development costs of the project so that the proportion of the total development costs charged to the HOME program does not exceed the proportion of the HOME-assisted units in the project.

Specific HOME Conditions for Funding Commitments

Funds shall be committed in accordance with applicable regulations. The 2013 HOME Final Rule clarifies which actions constitute and do not constitute a “Commitment,” as follows:

- Funds may be committed for the provision of down payment assistance.
- Agreements with a Community Housing and Development Organization (CHDO) that are not project-specific are not considered commitments. The City shall commit CHDO set-aside funds to specific projects for a specified amount of HOME funds within twenty-four (24) months of signing their HOME grant agreement.
- The City shall not commit HOME funds to a project until all necessary financing is secured, a budget and construction schedule established, underwriting and subsidy layering completed, and construction is scheduled to begin within 12 months.
- Signatories to written agreements shall date the document in order for it to constitute a valid commitment. Since the HOME statute and regulations require the City to enter into a legally binding commitment within twenty-four (24) months of signing the HOME Investment Partnerships Agreement, dates are needed to verify compliance.

- The City shall include certain provisions and requirements as set forth in Section 92.504(c) in its written agreement with eligible qualified applicants, recipients and CHDO's.
- A commitment does not include an agreement between the City and a subrecipient that the City controls (such as an authority that is part of the local government) or a lead entity of a consortium and a consortium member.
- Where HOME funds are being utilized the minimum amount of HOME funds that shall be invested in a project involving rental housing or homeownership is \$1,000.00 times the number of HOME-assisted units in the project, as set forth in 24 CFR Section 92.205(c) of the HOME Investment Partnerships Program Final Rule. The maximum assistance for HOME-assisted units is further set forth in Section 221(d) (3) of the HUD Maximum Mortgage Limits Non-Elevator Construction Chart published by the HUD Field Office, and as amended from time to time.

Written Agreements with Subrecipients, Developers, And Contractors

The City shall, when entering into an agreement with a Subrecipient or Developer, determine the role of the entity as set forth below:

- Any entity carrying out all or a portion of a program activity is serving in the capacity of Subrecipient.
- Any entity carrying out specific projects is serving in the capacity of owner, developer, or sponsor.

Written agreements with Subrecipients or Developers shall include, but not be limited to the following:

- Requirements for income determinations, underwriting and subsidy layering guidelines, rehabilitation standards, refinancing guidelines, homebuyer program policies, and affordability requirements as set forth in 24 CFR Section 92.504(c)(2)
- Provisions setting forth the funding amounts and utilization of said funds for specific programs and activities (i.e. down payment assistance, affordable housing development, tenant-based rental assistance, etc.), the number of housing projects to be funded or loans to be made, tasks to be performed, schedule for completion, and any requirements for matching contributions, and a budget for each program as set forth in 24 CFR Section 92.504(c)(2)(i).
- Language that requires the Subrecipient or Developer to comply with all applicable federal laws and regulations, with the exception of the environmental review, which is the City's responsibility.
- Language that requires a Subrecipient or Developer to comply with the provisions of 24 CFR Section 92.504(c) with any other entity or individual to which it disburses funds covered by this policy.

- Language that prohibits charging fees for monitoring, servicing, or origination. However, the agreement may allow a nominal application fee to project owners to discourage frivolous applications.
- Language **that sets** forth the affordability requirements to be incorporated into the required deed restrictions, use restrictions, covenants running with the land, or other legal mechanisms approved by HUD and/or the State of Florida under which the City has the right to seek specific performance.
- A provision requiring Subrecipients or Developers to specify the number and size of each rental unit, separated by funding source and designated as “fixed” or “floating”.
- A requirement for the Subrecipient or Developer to provide the address of each rental unit to the City by the time of project completion.
- A requirement that the Subrecipient or Developer specify initial rents, the procedures for rent increases **and that** such initial rent prices and any increases each year shall be in accordance with 24 CFR Section 92.252(f)(2) and approved by the City’s Community Development Division prior to the institution of such rent prices.
- That for homeownership projects, the agreement shall set forth recapture of funds requirements, the sales price or basis on which the sales price will be established, and the disposition of sales proceeds
- A provision that requires the Subrecipient or Developer to identify any limitation on eligibility or preference given to a particular segment of the population. Any limitation or preference shall not violate nondiscrimination requirements set forth in 24 CFR Section 92.350, shall meet with the approval of the City and must comply with the requirements of the funding source.
- Language that requires annual reports on rents and occupancy of assisted units to verify compliance with affordability requirements. If a project has floating units, information on unit substitution and filling vacancies to ensure that the project maintains the required unit mix reports (including financial reports) that enable the City to determine the financial condition and continued financial viability of the rental project.
- If a project involves a Community Housing Development Organization (CHDO), the agreement shall set forth provisions that address the following: (1) whether the CHDO may retain proceeds from the sale of units; (2) tenant grievance procedures; (3) a tenant participation plan; (4) whether the proceeds are to be used for HOME-eligible or other housing activities to benefit low-income families; and (5) recaptured funds are subject to the requirements set forth in 24 CFR Section 92.503(c), which require that the funds shall be returned to the City or used for other HOME-assisted housing activities.
- Written prohibitions preventing owners from charging fees that are not reasonable and customary. For rental housing, owners can charge reasonable application fees to prospective tenants, other fees (such as parking fees) only to the extent that they are reasonable and customary for the project area; and fees for services provided to tenants, provided that these services are not mandatory.

In accordance with 24 CFR Section 92.254(e), and in order to govern situations where HOME homeownership assistance is provided through a nonprofit or for-profit entity that also provides first mortgage financing to the homebuyer, or the City contracts with a for-profit or non-profit lender to make eligibility determinations, but another entity (the City or otherwise) is providing the HOME financial assistance, the City shall ensure that:

- The assistance may be provided only as specified in a written agreement between the City and the lender. The agreement shall specify the forms, amounts, and any conditions of homeownership assistance the lender is authorized to provide.
- Before any HOME assistance is provided, the City shall verify that the applicant is eligible for HOME assistance (low- or moderate-income) and shall inspect the housing for compliance with applicable property standards set forth in 24 CFR Section 92.251.
- The for-profit or nonprofit organizations are not charging fees (such as origination fees or points) to the applicant for the HOME homeownership assistance that the organization provides. (Reasonable administrative costs may be charged to the HOME program as a project cost in accordance with applicable federal regulations.)

Faith Based Organizations. In accordance with 24 CFR 92.257 the City shall ensure that:

- In the project or subrecipient selection process, faith-based organizations shall receive equal consideration, and such shall be stated in solicitations (i.e. Request for Proposals).
- When funding faith-based organizations, the written agreement shall set forth that HOME funds and activities shall be separate (in terms of time and location) from explicitly religious activities.

In accordance with 24 CFR Section 92.351, any written agreements with subrecipients, developers, or sponsors shall include affirmative marketing requirements that ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services.

Underwriting and Subsidy Layering Guidelines

The Cranston-Gonzalez National Affordable Housing Act as set forth in 24 CFR Part 91, the American Recovery and Reinvestment Act, the Housing and Economic Recovery Act, and the Consolidation Plan Final Rule, require a Participating Jurisdiction (“City”) to provide a certificate with the Consolidated Plan to approve layering guidelines. This certificate asserts that prior to the commitment of funds to a project, the City will evaluate the project in accordance with the guidelines set forth in the aforementioned acts and rule, and will not invest more HOME funds in combination with other federal, state, or local loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance for use, or in connection with a specific project. Where available, the City will rely upon guidelines developed and evaluations conducted

by other agencies pursuant to applicable HUD regulations or the Internal Revenue Code. The City will maintain the results of its required evaluation in each such project file.

Use of the Guidelines

Before committing funds to a project, the City shall evaluate the project in accordance with HOME guidelines and will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing. While the evaluation requirement is predicated on the combination of HOME funds with other governmental assistance, this guidance will also be used when determining the level of HOME funds to be used in a project absent other governmental assistance. The evaluation may need to be updated, if additional sources of funds not originally contemplated, are added to the project. The City may rely upon the guidelines developed and evaluation conducted by other agencies when Low-Income Housing Tax Credits (LIHTC) are used. The following guidelines are designed to adhere to 24 CFR Section 92.250(b) (1), (2), and (3) and 24 CFR Section 92.205 in its entirety by requiring the City to:

- Establish standards to assess the reasonableness of profit or return to the owner or developer, for the size, type, and complexity of the project.
- Examine the sources and uses for each project and determine whether the costs are reasonable.
- Assess the market conditions of the neighborhood in which the project will be located.
- Assess the experience and financial capacity of the developer.
- Determine whether there are firm financial commitments for the project.

Low-Income Housing Tax Credits

The City may rely upon the State tax credit allocating agency's evaluation to ensure that the HUD subsidies are not greater than necessary to provide affordable housing when combining HOME assistance with the tax credits. Such state agencies have typically established project guidelines based upon project size, characteristics, location, and risk factors that determine appropriate project costs and developer fees. An acceptable state agency certification is done pursuant to either applicable HUD regulations or the Internal Revenue Code. HOME funds awarded by the City to a project will be conditional upon the receipt of a copy of the evaluation conducted by the state tax credit allocating agency.

Project Evaluation

Before the City invests HOME funds in a project, it will assess whether other governmental assistance has been, or is likely to be, made available to the project. In performing this evaluation, the city will consider the aggregate amount of assistance from HUD and other sources that is necessary to insure the project's feasibility. These may include, but are not limited to, past rates of return (in that area for that type of project) to owners, sponsors,

and investors, the long-term needs of the project and its tenants, and the usual and customary fees in project development. Emphasis will be placed on the income level of the population to be served, the level of rent restriction to be recorded against the property, and time duration of such restrictions. In accordance with 24 CFR Section 92.205(a) (2), if the proposed project involves the acquisition of vacant land or demolition and the use of HOME funds, then such acquisition or demolition shall be in connection with an affordable housing project where construction can begin within twelve (12) months, as established in paragraph (2) of the definition of "commitment" in 24 CFR Section 92.2, and an assessment of risk shall be evaluated in accordance with 24 CFR Section 92.504(a). City staff shall pay particular attention to costs incurred in the planning stages of a project because 24 CFR Section 92.205(e)(1) requires the City to repay any HOME funds expended on projects that are terminated before completion. However, 24 CFR Section 92.206(d)(1) allows the City to use HOME funds to pay for architectural, engineering, and other professional service costs incurred no more than twenty-four (24) months prior to the commitment of HOME funds.

Certificate of Assistance

The City will obtain a formal certification from each applicant concerning the governmental assistance provided or to be provided to the project. If no such governmental assistance is to be provided at the time of application or in the future, the applicant(s) shall attest and certify to that fact. Further, the applicant's certification shall include a statement that should other governmental assistance be sought in the future, the City will be notified prior to submittal for such assistance.

Single-Family Owner-Occupied Housing Rehabilitation and Homeownership Assistance (1 unit)

For Single-Family Owner-Occupied Housing Rehabilitation and Single-Family Homeownership Assistance, the City is required to substantiate that no more HOME funds than necessary were provided to the project. To that end, each activity/project file shall contain a Loan Breakdown Computation Sheet that includes a Project Development Budget. The Loan Breakdown Computation Sheet shall categorize costs in a manner consistent with a Sources and Uses Funds Statement and shall be presented in such a manner that the City can refer back to the Loan Breakdown Computation Sheet to determine the source of funding to be used for all costs. It shall include all costs associated with the project, regardless of the funding source. The Loan Breakdown Computation Sheet line items may include, but not be limited to, construction "hard" costs, soft costs (architectural, engineering, legal and appraisal fees), marketing costs, construction loan interest, developer fees, real estate taxes, insurance, all loan fees, building permits, relocation, and commercial fees. The Loan Breakdown Computation Sheet shall reflect the total cost as set forth in the "Uses" section of a Sources and Uses Funds Statement.

The City will review the Loan Breakdown Computation Sheet to ensure that the costs are eligible under the applicable funding source. As part of the Project Development Budget review, the city will focus on the quality of the end product, construction costs, architectural and engineering fees and consulting fees. The city will determine which costs are customary and necessary, depending on the needs of the housing rehabilitation activity. Further, the city will determine whether these costs are reasonable utilizing construction cost contained in the most recent edition of RSMeans Construction Cost Data or other reputable source for cost estimates for home repairs and construction, as approved by the Community Development Division Manager.

Documentation Of Layering Review

Each activity/project file shall contain a Commitment of Funds Document which substantiates and verifies compliance with the HOME Subsidy Layering Guidelines, Sources and Uses Funds Statement, Project Development Budget (inclusive of updates) from the developer and additional review and any supporting documentation requested by the City.

HOME-ARP

Introduction

The American Rescue Plan Act (ARP) is a federal economic stimulus bill passed by the U.S. Congress and signed into law effective March 11, 2021. The legislation provides \$5 billion from the U.S. Department of Housing and Urban Development (HUD) to the Home Investment Partnerships Program (HOME). On April 8, 2021, HUD announced the HOME-ARP allocations for participating jurisdictions.

Eligible Activities

This funding is to provide homelessness assistance and supportive services through the following activities:

- Development and support of affordable housing, as currently permitted under the HOME program;
- Tenant-based rental assistance;
- Supportive services, including activities such as transitional housing, housing counseling, and homeless prevention services; and/or
- Acquisition and development of non-congregate shelter units, which may be converted to permanent affordable housing, used as emergency shelter, or remain as non-congregate shelter units.

The City of Hollywood has only allocated funding to Supportive Services, Nonprofit

Operating, and Capacity Building Assistance activities in its HOME-ARP allocation plan.

Eligible Beneficiaries

HOME-ARP funds must be used to primarily benefit individuals or families from the following qualifying populations:

Homeless

Homeless, as defined in 24 CFR 91.5 *Homeless* (1), (2), or (3):

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - b. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - c. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
2. An individual or family who will imminently lose their primary nighttime residence, provided that:
 - a. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - b. No subsequent residence has been identified; and
 - c. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - a. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

- b. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
- c. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- d. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;

At Risk of Homelessness

At risk of Homelessness, as defined in 24 CFR 91.5 *At risk of homelessness*:

1. An individual or family who:
 - a. Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - b. Does not have sufficient resources or support networks, e.g., family, friends, faith based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and
 - c. Meets one of the following conditions:
 - i. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - ii. Is living in the home of another because of economic hardship;
 - iii. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - iv. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
 - v. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
 - vi. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

- vii. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
- 2. A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
- 3. A child or youth who does not qualify as "homeless" under this section but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

- 1. **Domestic violence**, which is defined in 24 CFR 5.2003 includes felony or misdemeanor crimes of violence committed by:
 - a. A current or former spouse or intimate partner of the victim (the term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
 - b. A person with whom the victim shares a child in common;
 - c. A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
 - d. A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or

- e. Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- 2. **Dating violence** which is defined in 24 CFR 5.2003 means violence committed by a person:
 - a. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
 - b. Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - i. The length of the relationship;
 - ii. The type of relationship; and
 - iii. The frequency of interaction between the persons involved in the relationship.
- 3. **Sexual assault** which is defined in 24 CFR 5.2003 means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.
- 4. **Stalking** which is defined in 24 CFR 5.2003 means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - a. Fear for the person's individual safety or the safety of others; or
 - b. Suffer substantial emotional distress.
- 5. **Human Trafficking** includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:
 - a. *Sex trafficking* means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
 - b. *Labor trafficking* means the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria).

Other Populations

Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:

1. Other Families Requiring Services or Housing Assistance to Prevent Homelessness is defined as households (i.e., individuals and families) who have previously been qualified as “homeless” as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.
2. At Greatest Risk of Housing Instability is defined as household who meets either paragraph (i) or (ii) below:
 - a. has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs); 8
 - b. has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph (iii) of the “At risk of homelessness” definition established at 24 CFR 91.5:
 - i. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - ii. Is living in the home of another because of economic hardship;
 - iii. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - iv. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - v. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - vi. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - vii. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan

Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.

The City of Hollywood has not established any additional reasonable preferences among the qualifying populations for prioritizing applicants for HOME-ARP projects or activities in its HOME-ARP allocation plan.

Documenting Qualifying Population Status

Intake staff for projects should attempt to gather documentation by third-party verification first, intake observation second, and self-certification third. Below is a preferred order of documentation:

Third-Party Verification - Source

- An original or authentic document generated by a third-party source that is dated within 120 days from the date of receipt by the owner. Such documentation may be in possession of the tenant (or applicant), and commonly referred to as tenant-provided documents. These documents are considered third-party verification because they originated from a third-party source. They were not generated by the Third Party solely for the purpose of verifying information.
- Examples:
 - Eviction notice
 - Employment termination
 - Unemployment compensation
 - HMIS Project Entry

Third Party Verification – Written

- Written documentation sent directly by the third-party source by mail or electronically by fax, email, or internet.
- Examples:
 - Letter from former employer
 - Letter from relative
 - Letter from public administrator

Intake Observation

- Observations made by the intake worker of participant's circumstances
- Must include record of due diligence to obtain source documentation and relevant third-party information

Self-Certification

- Intake Staff Certification of Due Diligence should also be used to document the

need for self-certification, except for the Declaration of Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking.

Qualifying Populations Eligibility through Referrals

HOME-ARP projects must work with local homeless service providers or coordinated entry. Coordinated entry (CE) is a method for assessing and prioritizing the needs of homeless persons in a community. HUD requires CE for all Continuums of Care (CoCs) (24 CFR §578.3). A CoC is a group of organizations that work together to apply for CoC funding from HUD. CoC's have a designated "lead agency" that creates the CE. In all instances, documentation of the status of homelessness will be implemented based on the standard practices for CES administration.

The HOME-ARP service provider(s) must develop a waiting list from those referrals received from CES, documenting the date households presented for assistance through the TaskForce Fore Ending Homelessness or other triage access points. The waiting list will be used to determine the first-come, first-served order for supportive services provided to other Qualifying Population households.

The QP eligibility documentation must be kept at the project and a copy maintained in the household's file. The documentation from the referral agency may be transferred to the project upon referral. The documentation has to be transferred from provider to project; it cannot be carried by the applicant. The HOME-ARP project can use the referring agencies' documentation for the QP eligibility if the documentation meets the Development's written criteria.

The project is ultimately responsible for the accuracy of the QP eligibility criteria, regardless of referral source. The property may also have other responsibilities that were not part of the referring homeless service provider's eligibility determination. The property must also determine other requirements for participation in the HOME-ARP program, such as household income and the calculation of the tenant paid portion of the rent for rental developments.

HOME-ARP Supportive Services

HOME-ARP funds may be used to provide a broad range of supportive services to qualifying individuals or families as a separate activity or in combination with other HOME-ARP activities.

Eligible Supportive Services Activities:

There are three categories specifically included as supportive services under HOME-ARP:

1. McKinney-Vento Supportive Services: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney-Vento.
2. Homelessness Prevention Services: HOME-ARP Homelessness Prevention Services are adapted from eligible homelessness prevention services under the regulations at 24 CFR 576.102, 24 CFR 576.103, 24 CFR 576.105, and 24 CFR 576.106.
3. Housing Counseling Services: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at 24 CFR 5.100 and 5.111, respectively, except where otherwise noted. The requirements at 24 CFR 5.111 state that any housing counseling, as defined in 24 CFR 5.100, required under, or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling, consistent with 12 U.S.C. 1701x.
 - a. Housing Counseling surrounding the following topics are ineligible under HOME-ARP:
 - i. Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit;
 - ii. Home maintenance and financial management for homeowners, including, but not limited to: Escrow funds, budgeting, refinancing, home equity, home improvement, utility costs, energy efficiency, rights and responsibilities of homeowners, and reverse mortgages.

One hundred percent of HOME-ARP funds used for supportive services must benefit individuals and families in qualifying populations.

Eligible Costs of Supportive Services

Eligible Costs for McKinney Vento Supportive Services and Homelessness Prevention Services:

Eligible costs for supportive services under either of these two categories include costs associated with the following services:

1. Childcare
2. Education services
3. Employment assistance and job training
4. Food
5. Housing search and counseling services
6. Legal services
7. Life skills training
8. Mental health services
9. Outpatient health services

10. Outreach services
11. Substance abuse treatment
12. Transportation
13. Case management
14. Mediation
15. Credit repair
16. Landlord/Tenant liaison
17. Services for special populations
18. Financial assistance costs
 - a. Rental application fees
 - b. Security deposits
 - c. Utility deposits
 - d. Utility payments
 - e. Moving costs
 - f. First and Last month's rent
 - g. Payment of rental arrears
19. Short-term and medium-term financial assistance for rent

Ineligible costs - Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources. Financial assistance also cannot be provided to a program participant who has been provided with replacement housing payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 USC 4601 et seq.) and its implementing regulations at 49 CFR part 24, or Section 104(d) of the Housing and Community Development Act of 1974 (42 USC 5304(d) and its implementing regulations at 24 CFR part 42, during the period of time covered by the replacement housing payments.

Eligible Costs Associated with Housing Counseling Under 24 CFR 5.100 and 5.111

Costs associated with housing counseling services as defined at 24 CFR 5.100 and 5.111 are eligible under HOME-ARP. As homeowner assistance and related services are not eligible HOME-ARP activities, costs for the provision of services related to mortgages and homeownership to existing homeowners are also not eligible under HOME-ARP. If a program participant is a candidate for homeownership, costs associated with pre-purchase homebuying counseling, education and outreach are eligible under HOME-ARP. Eligible costs are those costs associated with the services listed in 24 CFR part 214 and include, but are not limited to:

1. Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-ARP program participants;
2. Development of a housing counseling workplan;
3. Marketing and outreach;

4. Intake;
5. Financial and housing affordability analysis;
6. Action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s);
7. Follow-up communication with program participants.

Specific Standards for City of Hollywood HOME-ARP Supportive Services:

Only certain activities include specific standards based on City of Hollywood and/or HOME-ARP policy. Other services which may not be detailed below would still be allowable under HOME-ARP as detailed in the HUD Notice. An agency must establish written policies for delivery of other HOME-ARP Supportive Services. The policies shall be reviewed and approved by the City prior to contract execution.

Rental Assistance Guidelines

HOME-ARP supportive service rental assistance rules differ from the HOME Tenant-Based Rental Assistance guidelines. Using financial assistance supports along with case management and rental assistance can provide more flexibility than the regular HOME program. Per the HOME-ARP Implementation Notice, eligible households may be assisted with up to 24 months of rental assistance, provided that the total financial assistance provided, including any pre-payment of first and last month's rent, does not exceed 24 months of rental payments over any 3-year period.

Duplication Of Benefits

The HOME-ARP subrecipient organization is responsible for ensuring that clients receiving eligible supportive services funded through HOME-ARP are not simultaneously receiving or approved to receive the same services from another program or provider. The subrecipient organization must use the HMIS database in coordination with other local service providers and information available through Our Path Home partner organizations.

Subrecipient Selection

The City will select local providers that have existing homeless services programs to administer HOME-ARP funds based on capacity and previous performance with City funded programs.

Disbursement of HOME-ARP Funds

The city will utilize a "reimbursement process" for all subrecipients in the HOME-ARP Program. All HOME-ARP funds will be paid by the City to subrecipients upon submission

of acceptable payment documentation to the City's Community Development Division by the subrecipient in a timeframe required by the City's Community Development Division. Subrecipients cannot hold requests for reimbursements for more than two months. All expenses incurred by the Subrecipient, during the course of the agreement, should be submitted to the City's Community Development Division no later than the 15th of each month. Reimbursement payments by the Community Development Division will be made using the normal 30-day payment schedule for all Subrecipient disbursements.

In no case will the City reimburse any portion of any cost determined to be ineligible under the Agreement or under HOME/HOME-ARP regulations, regardless of any mistaken determination of eligibility at the time the costs were incurred, nor will the City reimburse any cost which has been or will be reimbursed from another source. If goods or services are necessary to carry out such activities, the procurement of all such goods and services shall be carried in accordance with the requirements of 2 CFR § 200.317-326 and with the written procurement requirements of the Subrecipient, the more restrictive of which shall apply.

Program Evaluation and Reporting

The City of Hollywood will regularly evaluate the effectiveness of HOME-ARP Supportive Services contracts to assess impact on housing stability outcomes and participant well-being. Program providers and partners will be required to submit monthly or quarterly reports on program activities, demographics, participant outcomes, and other information as requested by the City of Hollywood. HOME-ARP outcomes will be reported to HUD and to the community as part of the Consolidated Annual Performance Evaluation Report (CAPER) process each December.

HOME-ARP Match Requirement

HUD has suspended the HOME statutory match requirement for HOME-ARP projects. The requirements at [24 CFR 92.552](#): Notice and Opportunity for Hearing apply to HOME-ARP funds, except that the provision at [24 CFR 92.552\(a\)\(2\)\(iv\)](#) related to failure to comply with matching contribution requirements shall not apply.

Record Retention

All accounting records, reports, and evidence pertaining to all HOME-ARP funds shall be maintained and kept available for the duration of the Agreement and thereafter for five (5) years after project completion date with the following exceptions:

- HOME-ARP Rental Housing: Records may be retained for five years after the project completion date; except the records of individual tenant income verifications, project rents and project inspections must be retained for the most

recent five-year period, until five years after the affordability period terminates.

- HOME-ARP TBRA: Records must be retained for five years after the period of rental assistance terminates.
- Written agreements: Records must be retained for five years after the agreement terminates.
- Displacements and Acquisition: Records must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with [24 CFR 92.353](#).
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

Neighborhood Stabilization Program

Introduction

The Neighborhood Stabilization Program was formulated by the Department of Housing and Urban Development in 2008 and has been reauthorized through subsequent legislation. The purpose of NSP is to assist state and local governments in addressing the negative effects of abandoned and foreclosed properties within the city's neighborhoods.

Eligible uses of NSP funds include:

- Establishment of financing mechanisms for the purchase and redevelopment of foreclosed residential properties.
- Purchase and rehabilitation of abandoned and foreclosed residential properties.
- Establishment of land banks for homes that have been foreclosed.
- Demolition of blighted structures.
- Redevelopment of demolished or vacant properties, which shall include the provision of affordable rental housing units and affordable homeownership units.

The City of Hollywood shall use NSP funds to stabilize neighborhoods with high foreclosure rates, high percentages of sub-prime loans, and neighborhoods with conditions that can lead to high foreclosure rates. Concurrently, the City shall use NSP funds to aid in the development of affordable housing opportunities. For example, the City may conduct scattered site acquisition/rehabilitation activities throughout the targeted areas.

Authority

The City of Hollywood, as a Local Entitlement Community, is authorized by the United States Department of Housing and Urban Development to conduct NSP activities eligible under 24 CFR Part 570.

Eligibility Criteria

Program Eligibility

The Neighborhood Stabilization Program shall be conducted within the framework of the granting agency's statutory rules and regulations, as amended from time to time, as well as applicable local policies and procedures. Funds used to administer this program are presumed to benefit households whose income does not exceed 120% of the Area Median Income. Regulatory reviews will be conducted in accordance with Federal requirements.

Property Eligibility – Purchase and Rehabilitation or Redevelopment

The City of Hollywood, utilizing an agent acting on the City's behalf, or a contractual entity using the City's NSP funds shall locate and contract for properties eligible for the NSP program using the following guidelines:

1. Properties purchased must be foreclosed or abandoned properties within the corporate limits of Hollywood.
2. The acquisition price shall be discounted at least 1% from the appraised value. The resale price of the home shall be no more than the total development cost or the appraised value, whichever is less.
3. NSP purchases shall take into account the seller's carrying costs when determining the mandatory discount.
4. The City shall initially target those areas as described in the Revised Substantial Amendment to the 2008/2009 One Year Action Plan. The plan authorizes the Director of Development Services Department, or designee, to expand activities outside of the targeted areas when necessary to accomplish NSP goals or meet NSP deadlines.
5. The City may purchase properties that are in such a state of disrepair that they must be demolished and replaced, if in the best interest of neighborhood stabilization.
6. The City may contract with a third party to acquire eligible properties and convey to eligible homebuyers. This process may include the use of a Community Land Trust to retain title to the underlying land or a non-profit or for-profit entity using NSP funds borrowed from the City to acquire and transfer property to eligible homebuyers.
7. The City may contract with a management entity to own, ground lease and/or operate affordable rental housing.

Home Buyer Eligibility – Purchase and Rehabilitation or Redevelopment

The City of Hollywood, an agent acting on the City's behalf, or a single management entity using the City's NSP funds will implement general program procedures as follows:

1. Properties purchased with NSP funds shall be sold or rented to a household whose income does not exceed 120% of the Area Median Income. All eligible homebuyers shall attend an eight-hour HUD-Certified Homebuyer Educational Workshop.
2. Applications shall be sequenced in a first-come, first-qualified, right of first refusal basis.
3. Applicant shall not be anticipating or involved in any bankruptcy during the homeownership assistance process.
4. For Very-Low-, Low-, and Moderate-Income purchasers, the city offers a mortgage subsidy up to a maximum of \$50,000.00 towards down payment/closing

- costs for acquisition of an existing home or new construction. The minimum NSP subsidy will be \$5,000. In the case of new construction, the city offers a second mortgage subsidy towards the purchase of a vacant lot, closing costs, and construction costs. All mortgage assistance shall be provided at zero percent (0%) interest. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of the signing or the Promissory Note and Mortgage. The mortgagee shall offer the mortgagor a refinancing option, pursuant to the same terms and conditions, so long as mortgagor has not defaulted on any terms or conditions set forth in the Mortgage. At maturity mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date, if the mortgagor defaults on any term of the Mortgage.
5. In general, it is the intent of this policy to operate in concert with the approved City of Hollywood Neighborhood Stabilization Program Substantial Amendment, as revised from time to time. Any conditions in the Neighborhood Stabilization Program Substantial Amendment, as revised from time to time, are incorporated herein by reference.
 6. When necessary to expedite the expenditure of NSP funds as recognized by the City or an agent acting on the City's behalf, the Assistant City Manager, or designee, increase the mortgage subsidy amount to expedite the purchase of NSP eligible foreclosed properties.

Financial Arrangements – Purchase and Rehabilitation

1. Loan terms, conditions, and limits under the Acquisition, or Home Ownership Assistance Programs shall be determined by the Director of Development Services Department, or designee, on a case-by-case basis.
2. Loans are Partnership Loans involving participating lenders and the city. Underwriting standards and procedures are described in the Housing Partnership Policy Statement (Resolution #R-94-217). The following general policies apply:
 - a. Mortgage loans may be provided for the acquisition/rehabilitation of an existing home or for the construction of a new home.
 - b. Private Lenders may lend up to 97% of the purchase price or the appraised value, whichever is less. These loans, secured by note and mortgage, may be amortized up to forty (40) years at the prevailing interest rate. These loans are not assumable and there are no pre-payment penalties.
 - c. Certain lender fees are waived for participants in Hollywood's Program.
 - d. The borrower shall contribute the greatest of 3% of the purchase price or \$2,500.00 of their own funds towards the purchase, with the exception of Habitat for Humanity Buyers for whom sweat equity may be accepted as a portion of the greater of 3% participant contribution.

The following limitations shall apply:

1. All NSP purchase subsidy loans are zero percent (0%) interest-deferred loans secured by a Promissory Note and Mortgage. The City reserves all rights under the terms of the Note and Mortgage.
2. A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. The homesteaded principal residence shall not be included in the calculation of non-retirement assets.
3. The City, an agent acting on behalf of the City, or a single management entity shall ensure that hazard, flood, and windstorm (where applicable) insurance coverage in an amount that is adequate to cover all property loans, with the City named as loss payee, is in place and maintained.
4. Acquisition and Homebuyer Assistance loans will be made under the terms and conditions established by the Director. In cases where the City contracts with a third-party entity to acquire and/or rehabilitate properties purchased with NSP funds, the loan will be made to the entity and will be sold to the homebuyer at the time of title transfer from the third-party entity.
5. The City shall ensure, by way of deed restriction that properties purchased with assistance under this section remain households whose income does not exceed limits specific to the funding source. The City will follow HOME program periods set forth at 24 CFR Section 92.254 (a) (4) and (5) (i). Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of execution of the Promissory Note and Mortgage. Prior to the maturity date, the mortgagee shall offer the mortgagor a refinancing option, pursuant to the same terms and conditions, so long as mortgagor has not defaulted on any terms or conditions set forth in the Mortgage. At maturity mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date in the event that mortgagor defaults on any term of the Mortgage including the house is sold, rented, ceases to be the primary residence of the buyer, transferred or conveyed or by any other means of title transference. Any other periods required by an assisting funding source shall be applied and enforceable. if longer in duration. The following chart demonstrates minimum compliance with HOME program "affordability" periods.

| \$ AMOUNT PER UNIT | MINIMUM AFFORDABILITY PERIOD |
|----------------------------|------------------------------|
| Under \$15,000.00 | 5 years |
| \$15,000.00 to \$40,000.00 | 10 years |

| | |
|------------------|----------|
| Over \$40,000.00 | 15 years |
|------------------|----------|

Other Federal Regulations

Labor Standards

Construction work that is financed in whole or in part with HUD funds must adhere to certain Federal Labor standard requirements that include the following:

A. Davis-Bacon Act

Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation). For CDBG, Davis-Bacon does not apply to CDBG rehabilitation of residential structures containing less than eight units or force account labor. For HOME, Davis Bacon does not apply to projects containing less than 12 units.

B. Copeland Anti-Kickback Act

The Copeland Anti-Kickback Act (40 USC, Chapter 3, Section 276c and 18 USC, Part 1, Chapter 41, Section 874; and 29 CFR Part 3) requires that workers be paid weekly, that deductions from workers' pay be permissible, and that contractors maintain and submit weekly payrolls.

C. Contract Work Hours and Safety Standards Act

The Contract Work Hours and Safety Standards Act (40 USC, Chapter 5, Sections 326-332; and 29 CFR Part 4, 5, 6 and 8; 29 CFR Part 70 to 240) applies to contracts over \$100,000 and requires that workers receive overtime compensation (time and one-half pay) for hours they have worked in excess of 40 hours in one week.

D. Section 3 of the Housing and Urban Development Act of 1968

Section 3 of the Housing and Urban Development Act of 1968, as amended requires the provision of opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area. Section 3 also requires that contracts be awarded to businesses that provide economic opportunities for low- and very low-income persons residing in the area. Section 3 is triggered on CDBG and HOME construction projects receiving \$200,000 or more in federal funds. More information on Section 3 compliance can be found online through the HUD Exchange.

Enforcement of Requirements During Construction

During construction, the city is responsible for enforcing the labor standards requirements described in this chapter. This includes construction management techniques (e.g., pre-construction conferences, issuance of notices to proceed and payments tied to compliance with the labor requirements), in addition to payroll reviews and worker interviews.

Pre-Construction Conference

Pre-construction conferences are no longer required in order to comply with Federal labor standards requirements. However the City's CD Division Manager will hold them prior to the start of work to review contractual requirements, including labor, and performance schedules.

Provide and review with the contractor with a copy of the "Contractor's Guide to Prevailing Wage Requirements for Federally Assisted Construction Projects." This guide can be downloaded [online](#) through the HUD Exchange.

Notice to Proceed

Following execution of the contract documents and completion of the pre-construction conference, the CD Division Manager will issue a Notice to Proceed to the subrecipient, who in turn will notify the prime/general contractor to begin performance of the work. The Notice to Proceed establishes the construction start date and the scheduled completion date and provides the basis for assessing liquidated damages. The construction period and basis for assessing liquidated damages must be consistent with those sections of the contract documents.

Payroll Review

Once construction is underway, the prime/general contractor should complete a weekly payroll report for its employees on the covered job and sign the Statement of Compliance. The prime/general contractor must also obtain weekly payrolls (including signed Statements of Compliance) from all subcontractors as they work on the project. The submission of all information shall be in LCP tracker.

Certified payroll reports should be submitted by the prime/general contractor to the City's software system within a reasonable timeframe so as to ensure compliance, typically no more than 10 working days following the end of the payroll period.

The HUD payroll form (WH-347) does not have to be used, but alternative payroll documentation must include all of the same elements in order to determine compliance with applicable regulations. The Statement of Compliance must be completed and signed by an authorized representative of the company and submitted in conjunction with the payroll form (or alternate equivalent payroll documentation).

The payrolls should be reviewed by the subrecipient and the general contractor to ensure that there are no discrepancies or underpayments. Remember that the prime contractor is responsible for the full compliance of all subcontractors on the project and will be held

accountable for any wage restitution that may be necessary. This includes restitution for underpayments and, potentially, liquidated damages that may be assessed for overtime violations.

The city should review every payroll to ensure that workers are being paid no less than the prevailing Davis-Bacon wages and that there are no other falsifications.

In addition to the falsification indicators described in the HUD guidance, items to be spot-checked should include:

- The correct classification of workers;
- A comparison between the classification and the wage determination to determine whether the rate of pay is at least equal to the rate required by the determination;
- A review to ensure that work by an employee in excess of 40 hours per week is being compensated for at rates not less than one and one-half times the basic rate of pay;
- Review of deductions for any non-permissible deductions; and
- The Statement of Compliance has been signed by the owner or an officer of the firm.

Any discrepancies and/or falsification indicators must be reported to HUD, along with the steps being taken by City of Hollywood to resolve the discrepancies. Where underpayments of wages have occurred, the city is responsible to make sure the correct wages are paid, and that the employer will be required to pay wage restitution to the affected employees. Wage restitution must be paid promptly in the full amounts due, less permissible, and authorized deductions. The city should contact HUD for assistance if a violation occurs.

On-Site Interviews

Interviews should occur throughout the course of the construction and include a sufficient sample of job classifications represented on the job as well as workers from various companies to allow for a reasonable judgment as to compliance.

Information gathered during an interview is recorded on the Record of Employee Interview form (HUD-11).

The interview should take place on the job site and conducted privately (this is a one-on-one process).

The interviewer should observe the duties of workers before initiating interviews. Employees of both the prime contractor and subcontractors should be interviewed.

Environmental Review

As per 24 CFR 570.604 an Environmental Review Record must be completed for each project in order to meet the Environmental Review Requirements set forth at 24 CFR Part 58. No federal funds will be spent until an Environmental Review Record is completed. All projects will publish appropriate notices (including HUD 8-Step Process), and submission of the Request for Release of Funds and Certification and Authority to Use Grant Funds will be issued by HUD prior to commencing with project activities, as applicable.

The primary objectives of the HUD environmental review are to identify specific environmental factors that may be encountered at potential project sites and to develop procedures to ensure compliance with regulations pertaining to these factors. Because Hollywood programs vary in terms of applicant type, scope of program activities, and geography, a standard set of review documents and procedures have been designed to produce a consistent programmatic environmental review that provides for the greatest protection and accountability across all HUD related activities.

The environmental effects of each activity must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. Hollywood, as the Responsible Entity, assumes the responsibility for environmental review, decision-making, and action that would otherwise apply to HUD under NEPA and other provisions of law that further the purposes of NEPA, as specified in 24 CFR part 58.

The applicability of environmental review regulations is based on the type of project scope (new construction, rehabilitation, acquisition, public service, infrastructure, etc.) or activity (tenant-based rental assistance), not the particular cost paid.

Any funds committed to an activity or project will be conditional on the completion of the environmental review and approval of the request for release of funds and related certification as needed, except as authorized by 24 CFR part 58. Incurring costs, expenditure of funds, or beginning any work on the project site prior to completion of an environmental review may jeopardize current and future funding for the project. The environmental review process may take up to 120 days or longer depending on the scope of the project.

As Hollywood assumes HUD environmental responsibilities for HUD grant funding under the requirements of HUD's environmental review regulations at 24 CFR Part 58, the City acts as the responsible entity to ensure all regulations are implemented under the National Environmental Policy Act (NEPA). The HUD environmental review process within the City's jurisdiction must be completed before CDBG and HOME funds can be utilized.

Every project funded with HUD dollars must complete the Environmental Review process and each project file must contain an Environmental Review Record (ERR) that contains the appropriate checklist (dependent on level of review) and all supporting documentation. Supporting documentation is required to empirically verify the findings of the ER checklist

and includes items such as SHPO concurrence letters, FEMA FIRM Maps, National Wetlands Inventory Maps, Topography Maps, etc.

Staff should reference the City of Hollywood's Environmental Review Guidebook when completing Environmental Reviews.

Choice Limiting Actions

Per the requirements of 58.22, no agency, developer, program, or project is able to undertake a choice limiting action such as real property acquisition, leasing, disposition, demolition, rehabilitation, repair, construction, or site improvements until an environmental approval has been certified by Hollywood's City Manager and, if applicable, granted authority to use grant funds by HUD. This ensures that decision making does not occur until prior to completing the environmental review process.

Fair Housing, Accessibility & Equal Employment

The City and any sub-recipient(s) must adhere to all the basic tenets of fair housing and equal opportunity regulations (24 CFR 570.601). Recipients are prohibited from practicing discrimination on the grounds of race, color, national origin, religion, sex, handicap, or familial status. This prohibition applies to all project contractors or subcontractors. Beneficiary information should be determined, and demographic data compiled, with this information made available in the project file for public review.

Staff should be familiar with the following regulations:

- Section 104(d) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended:
 - [Section 109 of the HCD Act of 1974 | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)
 - [Section 104\(d\) of the Housing and Community Development Act of 1974, as amended \(see 42 USC 5304\(d\)\) - HUD Exchange](#)
- The Fair Housing Act (42 U.S.C. 3601-20) Reasonable Accommodations Under the Fair Housing Act. https://www.hud.gov/sites/documents/DOC_7771.PDF
- <https://www.justice.gov/crt/fair-housing-act-1>
- Executive Order 11063 – Equal Opportunity in Housing <https://www.archives.gov/federal-register/codification/executive-order/11063.html>
- Executive Order 11259 - Leadership & Coordination of Fair Housing in Federal Programs
 - <https://www.archives.gov/federal-register/codification/executive-order/11259.html>
- 24 CFR Part 107 - Non- Discrimination and Equal Opportunity in Housing under E.O. <https://www.law.cornell.edu/cfr/text/24/part-107>

Fair Housing

As per the [HUD Fair Housing Planning Guide](#), the broad objectives of Affirmatively Furthering Fair Housing can be interpreted to mean:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons.
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Accessibility

The City shall abide by HUD regulations in Section 504, HUD's implementation of the American with Disability Act (ADA). The City will periodically conduct a self-evaluation of accessibility to determine their current programs, services, policies, and practices meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act.

Affirmative Marketing; Minority Outreach

The City of Hollywood shall make every effort to inform the general public of housing opportunities available through the Community Development Division by placing advertisements in newspapers of general circulation and by periodically including informational flyers in the utility bills that are sent to each resident (renter or owner) without regard to race, color, national origin, sex, religion, familial status or disability. The Fair Housing Poster and Fair Housing contact number shall remain displayed prominently at the Community Development Division office.

The Community Development Advisory Board (CDAB), representatives of the service population, and the African American Advisory Council (AAAC), which represents the African-American community, shall be informed of each available City program. In addition, all City of Hollywood Community Development Block Grant (CDBG) subrecipients, contractors, and developers shall be required to advertise all City of Hollywood initiatives to their respective clientele and partners.

The Community Development Division shall keep and retain a record of actions taken to affirmatively address fair housing concerns.

Participants in housing programs provided by the city will receive homebuyer/homeowner education, which includes fair housing training in both English and Spanish language versions.

The City shall periodically conduct fair housing workshops at locations throughout the City. Workshops shall be conducted in both English and Spanish language.

Equal Employment

Nondiscrimination is a requirement of employment and employment practices. Employment opportunities may not be denied on the basis of race, color, national origin, sex, age, religion, familial status, or disability. Affirmative action and equal employment opportunity policies are fundamental aspects of CDBG funded activities.

The Americans with Disabilities Act modifies and expands the Section 504 Rehabilitation Act of 1973 to prohibit discrimination against “a qualified individual with a disability” in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

Subcontracting with Small and Minority Firms, Women’s Business Enterprises:

It is national policy to award a fair share of contracts to small and minority and women’s owned businesses. Accordingly, affirmative steps must be taken to assure that small, minority and women owned businesses are utilized when possible as sources of supplies, equipment, construction, and services. Affirmative steps shall include the following:

- Including qualified small and minority businesses on solicitation lists;
- Assuring that small, minority and women owned businesses are solicited whenever they are potential sources;
- Whenever economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small, minority and women owned businesses' participation;
- Where the requirement permits, establishing delivery schedules which will encourage participation by small and minority businesses; and
- Using the services and assistance of the Small Business Administration, the Governor’s Office of Small and Minority Business Assistance, the Department of Commerce and the Community Services Administration as required.

Equal Opportunity and Nondiscrimination

In all hiring or employment made possible by or resulting from federally funded contracts, there will not be any discrimination against any employee, or applicant for employment because of race, color, religion, sex, handicap, age, or national origin and affirmative action will be taken to ensure that employees are treated during employment without regard to their race, color, religion, sex, handicap, age, or national origin. This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; rates of pay or other forms of compensation; any selection training, including apprenticeship. The sub-grantee shall post, in conspicuous places available to employees and applicants for employment notices provided by the government setting forth the provisions of this clause. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, handicap, age, or national origin.

No person shall, on the ground of race, color, religion, sex, handicap, age, or national origin be excluded from participation, be denied the benefits of, or be subject to, discrimination under programs or activities made possible by or resulting from the contract. The sub-recipient and each employer will comply with all requirements imposed by, or pursuant to the regulations of HUD effectuating Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1968, the Fair Housing Law, Executive Order 11246 as amended by Executive Order 11375, Section 3 of the Housing and Urban Development Act of 1968, Title I of the Housing and Community Development Act of 1974 which pertain to nondiscrimination.

Lead-Based Paint

The City of Hollywood shall evaluate the need to implement required Lead-Based Paint regulations through its application process on a project-by-project basis. Each eligible household will be screened during the application process to determine if the project location/dwelling was built prior to 1978. The age of the house/year built will be determined by official City or City building and/or property record.

All homes built prior to 1978 will be inspected by an EPA Certified consultant procured by the City. Housing units will have a Risk Assessment completed by the EPA Certified consultant. If the City elects to not have the house tested, then it will presume that all potential lead hazards are present and use stand treatments to address them as applicable. If lead hazards, above the HUD maximum allowable lead concentration, are reported the City will fund lead remediation/abatement as required by Title X of the Housing and Community Development Act of 1992 (24 CFR Part 35, subparts A-R), as amended June 21, 2004, through the applicable housing program. This regulation implements sections 1012 and 1013 which amend the Lead-Based Paint Poisoning Prevention Act of 1971. Section 1018 of this law directed HUD and EPA to require the disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978. As such the City provides the EPA-approved pamphlet called "Protect Your Family From Lead In Your Home" to each eligible household residing in a dwelling built before 1978. The City also provides a copy of any known information concerning lead-based paint or lead-based paint hazards to the applicant/owner.

All properties that require lead-based paint abatement must pass clearance testing by an EPA Risk Assessment Certified firm after the abatement has been completed by an EPA Certified Renovator Firm. The firm that performs the abatement cannot perform the clearance testing.

In general, for homes built prior to 1978, all lead-based paint must be either stabilized or removed. The City follows HUD's specific requirements dependent on the amount of Federal funding on housing rehabilitation and/or acquisition described in HUD's Lead Safe Housing Rule. Lead-based paint requirements for rehabilitation fall into three categories that depend on the amount of Federal rehabilitation assistance provided as follows:

- A. All work on projects with hard costs less than or equal to \$5,000 per unit must

be conducted using Lead Safe Work Practices in accordance with 24 CFR 35.930(b).

- B. Projects with hard costs between \$5,000 and \$25,000 per unit must comply with Interim Controls and Standard Practices set forth in 24 CFR 35.930(c).
- C. Projects with hard costs over \$25,000 per unit must include abatement of all lead-based paint hazards in accordance with 24 CFR 930 (d).

Properties that are not covered by HUD's Lead Safe Housing Rule (24 CFR Part 35, subparts B-R) can be found under 24 CFR § 35.115 and are exempt from lead-based paint testing and abatement.

The construction or rehabilitation of residential structures with assistance provided under this Agreement is subject to the HUD Lead-Based Paint regulations, 24 CFR 35. Any grants or loans made by the City for the rehabilitation of residential structures with assistance provided under this Agreement shall be made subject to the provisions for the elimination of lead-based paint hazards under Subpart B of said regulations, and the City shall be responsible for the inspections and certifications required under Section 35.14(f) thereof.

Relocation

City of Hollywood must adhere to Federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) that generally applies to the acquisition, rehabilitation, or demolition of real property.

The Uniform Act, passed by Congress in 1970, is a Federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or that displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for Federal or federally funded projects. The City complies with [49 CFR Part 24](#), the government-wide regulations that implement the URA. [HUD Handbook 1378, Tenant Assistance, Relocation And Real Property Acquisition Handbook](#) provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.

Optional Temporary Relocation Assistance

The City of Hollywood has allocated federal and state funds for the purpose of carrying out owner-occupied housing rehabilitation within the City's jurisdiction in compliance with eligible activity requirements of the various federal and state programs, rules, and regulations.

Federal funds may be used for temporary relocation payments and assistance to persons who must temporarily relocate due to an activity that is not subject to the displaced person requirements set forth in 24 CFR Section 570.606, as amended from time to time.

The City deems it in the best of interest of resident homeowner-occupants to develop this Optional Temporary Relocations Assistance Policy to provide limited moving assistance for owner-occupants who relocate for a temporary period of time pursuant to 24 CFR Section 570.606, as amended from time to time.

Pursuant to this Policy, the City may provide certain moving assistance that makes financial aid available to resident owner-occupants who voluntarily apply for consideration for such assistance pursuant to the City's Voluntary Homeowner Rehabilitation or Demolition Replacement Program, as set forth in these Policies.

Eligibility for temporary relocation assistance shall be determined by the City on a case-by-case basis after receipt of an Optional Temporary Relocation Assistance Application. Upon receipt of an application, the City shall determine the applicant's eligibility based upon the following criteria:

- The temporary relocation assistance exceeds a one-night period and involves the removal and storage of furniture; and
- The occupancy of the unit during construction rehabilitation is likely to expose the homeowner/family to a threat to their health, safety or welfare and temporary relocation is necessary to eliminate the threat.

Upon approval of the application, the Optional Temporary Relocation Assistance will be provided on a reimbursement basis, as follows:

- The applicant will be required to execute an agreement with the City for said financial assistance.
- The applicant/homeowner will be responsible for a self-move.
- The City will provide moving and storage financial assistance in an amount not to exceed \$1,500.00. Moving and storage financial assistance shall be for those costs directly related to the packing, crating, storage, and insurance cost required to temporarily relocate during the time of the housing rehabilitation and return to the house upon the completion of the project, including the successful completion of a lead-based paint clearance exam, if required.

Conflict of Interest

In accordance with HUD regulations, a local government may designate elected or appointed officials to serve on the boards of nonprofit organizations that may provide affordable housing within their communities. If the public official does not receive a salary or any other financial compensation for serving on the board; the official's interest would be a personal one only.

In accordance with 24 CFR Section 92.356(b), no person(s) who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds, or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may not obtain a financial interest or benefit from the assisted activity described in these Policies, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or

business ties, during their tenure, or for one (1) year thereafter. County Contribution Funds and State Housing Initiative Partnership funds are not subject to the requirements of 24 CFR Section 92.356(b).

The conflict-of-interest provisions set forth in 24 CFR Section 92.356(b) apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the City, or subrecipient receiving federal funds.

Specific CDBG provisions of 24 CFR 570.611 include that:

- This requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee, a designated public agency, or a subrecipient, and to their immediate family members and business partner(s).
- The requirement applies for such persons during their tenure and for a period of one year after leaving the grantee or the subrecipient organization.
- Upon written request, exceptions may be granted by HUD on a case-by-case basis, after consideration of the cumulative effect of various factors listed in 24 CFR 570.611(d), and only with:
 - full disclosure of the potential conflict and
 - a legal opinion of the grantee's attorney that there would be no violation of state or local laws in granting the exception.

For more information, see HUD's "Seven Keys to Handling Conflicts of Interest," [at this link](#) which provides additional guidance in such areas as internal procedures to avoid conflicts, staff training, and implementing regulations.

Financial Standard Operating Procedure

To adhere to accepted financial operating procedures the City of Hollywood uses the following systems:

Integrated Disbursement And Information System (IDIS)

As a nationwide database, IDIS provides HUD with current information regarding program activities underway across the Nation, including funding data. HUD uses this information to report to Congress and to monitor grantees. IDIS is the draw-down and reporting system for the two CPD formula grant programs: Community Development Block Grant (CDBG) and Home Investment Partnerships Act (HOME), covered in this policy and for CPD competitive grant program HOPWA Competitive. The system allows grantees to request grant funds from HUD and report accomplishments. Grantees also use IDIS for Recovery Act programs: CDBG-R, TCAP and HPRP. Only City staff may access IDIS to request disbursement.

Disaster Recovery Grant Reporting System (DRGR)

The Disaster Recovery Grant Reporting system was developed by HUD's Office of Community Planning and Development for the Disaster Recovery CDBG program and other special

appropriations. Data from the system is used by HUD to review activities funded under these programs and for required quarterly reports to Congress.

HOME Investment Trust Fund (HOME)

The HOME Investment Trust Fund consists of the accounts described in these policies solely for investment in accordance with the provisions 24 CFR Part 92. The City uses a designated subsidiary account within its General Fund as the local HOME Investment Trust Fund account.

The local account of the HOME Investment Trust Fund includes deposits of HOME funds disbursed from the Treasury account; deposits of any State funds (other than HOME funds transferred pursuant to 24 CFR Section 92.102(b)(2) or local funds that enable the City to meet the participating threshold amount set forth in 24 CFR Section 92.102; any program income (from both the allocated funds and matching contributions in accordance with the definition of program income); and any repayments or recaptured funds as required by 24 CFR Section 92.503.

The City shall reserve any funds that are required to be reserved (i.e., fifteen (15) percent of the funds by a participating jurisdiction under 24 CFR Section 92.300 that are reserved for a community housing development organization) pursuant to a written agreement specific to an identified project within twenty-four (24) months after the last day of the month in which HUD notifies the City of HUD's execution of the HOME Investment Partnerships Agreement.

The City shall expend all HOME funds within five (5) years after the last day of the month in which HUD notifies the City of HUD's execution of the HOME Investment Partnerships Agreement.

Project Set-up

After the City executes the HOME Investment Partnerships Agreement, submits the applicable financial and security documents, complies with the environmental requirements under 24 CFR Part 58 for release of funds and commits funds to a specific local project, the project manager shall set up specific investments in IDIS and coordinate with the Community Development Accountant on the management of these accounts.

Request for Reimbursement/Funding

Subrecipients and developers shall request payment in accordance with the terms and conditions set forth in the written agreement with the City and as required by 24 CFR Section 92.504. Requests shall be submitted to the respective project manager who shall review the project in accordance with project requirements. Subsequently, the project manager shall provide the reimbursement request to the Community Development Accountant who will submit the appropriate documents for approval via the chain of command. Upon approval,

all required documentation will be forwarded to the Department of Financial Services for final review and release of funds.

Disbursement of HOME funds

After the completed project set-up information is entered into IDIS, HOME funds for the project may be drawn down from the United States Treasury account by the Community Development Manager. The Community Development Senior Accountant or other designated CD staff shall prepare a disbursement request voucher for approval by the Director of the Department of Development Services. Any drawdown of HOME funds from the United States Treasury account is conditioned upon the provision of satisfactory information by the City about the project as specified by HUD. HOME funds drawn from the United States Treasury account shall be expended for eligible costs within fifteen (15) days. Any interest earned within the fifteen (15) day period may be retained by the City as HOME funds. HOME funds in the local account of the HOME Investment Trust Fund shall be disbursed before requests are made for HOME funds in the United States Treasury account. Program income shall be treated in accordance with the requirements of 24 CFR Part 92. Program income shall be deposited into the City's HOME Investment Trust Fund local account unless the City permits a subrecipient to retain the program income for additional HOME projects pursuant to the terms and conditions of the written agreement and in accordance with the requirements set forth in 24 CFR Section 92.504. The Community Development Senior Accountant or other designated CD staff shall inform each respective project manager of funds drawn and record final draw per activity number.

Project Completion

Designated CD staff shall enter project completion information into IDIS within 120 days of the final project drawdown.

Program Income, Repayments, and Recapture

Program income shall be treated in accordance with the requirements set forth in 24 CFR Part 92. Program income shall be deposited into the City's HOME Investment Trust Fund local account unless the City permits a subrecipient to retain the program income for additional HOME projects pursuant to the written agreement.

Repayments - when any HOME funds invested in a housing activity does not meet the affordability requirements, except for project specific community housing development organization loans waived pursuant to 24 CFR Section 92.301(a)(3) and 24 CFR Section 92.301(b)(3) or are invested in a project that is terminated before completion either voluntarily or otherwise, the repayment of the HOME funds shall be the responsibility of the City. City staff shall contact HUD for direction as to whether funds are to be repaid to City's HOME Investment Trust Fund or to the United States Treasury account.

Recapture - Recaptured HOME funds shall be used in accordance with 24 CFR Section 92.254(a)(5)(ii). Recaptured funds shall be deposited into the City's HOME Investment Trust Fund local account unless the City permits a subrecipient, developer, or community housing development organization to retain the recaptured funds for additional HOME projects pursuant to the terms and conditions of the written agreement.

Community Development Block Grant (CDBG)

The CDBG account consists of the accounts described in these policies solely for investment in accordance with the provisions 24 CFR Part 570. The City uses a subsidiary account within its General Fund as the local CDBG account.

The local CDBG account includes deposits of CDBG funds disbursed from the U.S. Treasury account; any program income, and any repayments or recaptured funds as required by 24 CFR Section 570.504. The City shall not have on hand more than 1.5 times the annual CDBG allocation.

Project Set-up

After the City executes the CDBG Grant Agreement, submits the applicable financial and security documents, complies with the environmental requirements under 24 CFR Part 58 for release of funds, and commits funds to a specific local project, designated CD staff shall set up specific investments in IDIS and coordinate with the Community Development Senior Accountant or other designated CD staff on the management of these accounts.

Subrecipient Request for Reimbursement/Funding

Subrecipients shall request payment in accordance with the terms and conditions of the written agreement and as required by 24 CFR Section 570.503. Requests shall be submitted to the respective designated CD staff, who shall review the project in accordance with project requirements. Subsequently, the designated CD staff shall submit the reimbursement request to the Community Development Senior Accountant or designated CD staff who will prepare for approval via the chain of command. Upon approval all required documentation will be forwarded to the Department of Financial services for final review and release of funds.

Disbursement of CDBG funds

After complete project set-up information is entered into IDIS, CDBG funds for the project may be drawn down from the United States Treasury account by the Community Development Manager. The Senior Accountant for Community Development or designated CD staff shall prepare a disbursement request voucher to be approved by the CD Manager or designee. Any drawdown of CDBG funds from the United States Treasury account is conditioned upon the provision of satisfactory information by the City about the project as specified by HUD. CDBG funds drawn from the United States Treasury account shall be expended for eligible costs within fifteen (15) days. Any interest earned within the fifteen

(15) day period may be retained by the City as CDBG funds. CDBG funds in the local account shall be disbursed before requests are made for CDBG funds in the United States Treasury account. Program income shall be treated in accordance with the requirements of 24 CFR Part 570. Program income shall be deposited into the City's CDBG account unless the City permits the subrecipient to retain the program income for additional CDBG projects pursuant to the terms and conditions of the written agreement and as required by 24 CFR Section 92.504. The Community Development Senior Accountant or other designated CD staff shall inform each respective project manager of funds drawn and record final draw per activity number.

Project Completion

Designated CD staff shall enter project completion information into IDIS within 120 days of the final project drawdown.

Program Income, Repayments, and Recapture

Program income shall be treated in accordance with the requirements of 24 CFR Part 570. Program income shall be deposited into the City's CDBG account unless the City permits a subrecipient to retain the program income for additional CDBG projects pursuant to the written agreement.

Repayment - When any CDBG funds invested do not meet the program requirements then such funds shall be repaid by the City. City staff shall contact HUD for direction as to whether funds shall be repaid to City's CDBG account or to the United States Treasury account.

Recapture - Recaptured CDBG funds shall be treated in accordance with the requirements of 24 CFR Part 570. Recaptured funds shall be deposited into the City's CDBG account unless the City permits a subrecipient, or community-based development organization to retain the recaptured funds for additional CDBG projects pursuant to the terms and conditions of the written agreement.

Neighborhood Stabilization Program (NSP)

The NSP-1 account consists of the accounts described in these policies used solely for investment in accordance with the provisions of NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008.

The NSP-3 account consists of funds authorized under the Dodd–Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010. The City uses designated subsidiary accounts within its General Fund as the local NSP-1 and NSP-3 accounts.

The local NSP-1 and NSP-3 accounts include deposits of NSP funds disbursed from the U.S. Treasury account; any program income and any repayments or recaptured funds as required by 24 CFR Section 570.504.

Project Set-up

After the City executes the respective NSP Grant Agreements, submits the applicable financial and security documents, complies with the environmental requirements under 24 CFR Part 58 for release of funds and commits funds to a specific local project, the project manager shall set up an action plan for specific investments in DRGR and coordinate with the Community Development Accountant on management of these accounts.

Subrecipient Request for Reimbursement/Funding

Subrecipient shall request reimbursement payment in accordance with the terms and conditions of a written agreement as required by 24 CFR Section 570.503. Requests shall be submitted to the respective project manager who shall review the project in accordance with project requirements. Subsequently, the project manager shall submit the reimbursement request to the Community Development

Accountant who shall prepare the appropriate documents for approval via the chain of command. Upon approval, all required documentation shall be forwarded to the Department of Financial Services for final review and release of funds.

Disbursement of NSP funds

After complete project set-up information is entered into DRGR, NSP funds for the project may be drawn down from the United States Treasury account by the Community Development Manager. The Community Development Accountant shall prepare a disbursement request voucher to be approved by the Assistant City Manager. Any drawdown of NSP funds from the United States Treasury account is conditioned upon the provision of satisfactory information by the City about the project as specified by HUD. NSP funds drawn from the United States Treasury account shall be expended for eligible costs within fifteen (15) days. Any interest earned within the fifteen (15) day period may be retained by the City as NSP funds. NSP funds in the local account shall be disbursed before requests are made for NSP funds in the United States Treasury account. Program income shall be treated in accordance with the requirements of the NSP-1 or NSP-3 Notice. Program income shall be deposited into the City's NSP account unless the City permits subrecipient to retain the program income for additional NSP projects pursuant to the written agreement required by 24 CFR Section 570.503. The Community Development Accountant shall inform the project manager of funds drawn and record the final draw.

State Programs

State Housing Initiative Partnership

Introduction

The City of Hollywood receives funding from the State Housing Initiatives Partnership program (SHIP) as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low-, low- and moderate-income families. SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, short-term acquisition of property for affordable housing, matching dollars for federal housing grants and programs, homeownership counseling, and other activities as required by legislative action.

Legislative Authority

Chapter 420, Part VII, Florida Statutes Rule Chapter 67-37, Florida Administrative Code 2.

Funding

Funds are allocated on a population-based formula and distributed by FHFC on an entitlement basis. When available, funds are disbursed at least quarterly to eligible communities as documentary stamp revenues are deposited into the Local Government Housing Trust Fund. Total actual disbursements are dependent upon documentary stamp collections.

Targeted Population

Households with area median incomes (AMI) that are categorized as very low (at or below 50% AMI), low (at or below 80% AMI), moderate (at or below 120% AMI) and incomes up to 140% AMI.

Local Housing Assistance Plan Requirements

The LHAP for each local government describes the methods (housing strategies) by which they will expend the SHIP funds allocated to the jurisdiction. Generally, the LHAP is submitted once every three years and covers three fiscal years funding. The LHAP can be amended at any time.

SHIP policies are governed by the City's established LHAP. For all SHIP programs, staff should refer to the current LHAP.

Targeting Requirements of Funds

1. A minimum of 65% of the allocation, plus recaptured funds, must be spent on eligible homeownership activities.
2. A minimum of 75% of the allocation, plus recaptured funds, must be spent on eligible construction/rehab activities.
3. At least 30% of funds from all SHIP sources must be reserved for very-low-income households (up to 50% of median income).
4. An additional 30% of funds from all SHIP sources may be reserved for low-income households (up to 80% of median income).
5. The remaining funds may be reserved for households up to 140% of median income.
6. No more than 5% of SHIP funds may be used for administrative expenses. If a local government makes a finding of need by resolution, a local government may use up to 10% for administrative expenses. Additionally, a portion of program income may be used for administrative expenses. 5% of program income for Cities with a large allocation, and for Counties that are not a small county as defined in s. 120.52(19) "Small county" means any county that has an un-incarcerated population of 75,000 or less according to the most recent decennial census. 10% of program income for small counties and eligible municipalities that receive a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs, according to section 67-37.007 (5)(f) of the SHIP Rule.

Eligible Housing

SHIP Funds assist only housing meeting the standards of Chapter 553, Florida Statutes. SHIP funds may also be used to assist mobile homes or manufactured housing constructed after June of 1994 and are limited to expending 20% of the overall allocation on this activity.

Local Programs

Interlocal Agreement (ILA) Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency

Introduction

The purpose of this Policy is to provide direction and guidelines for administering programs operated with "County Contribution Funds" (CCF). These funds are received as a result of the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing (ILA). These programs are governed by the terms and conditions of the ILA. As these terms and conditions may be periodically modified, the Program Policies will be similarly amended.

Affordable Housing Programs eligible to receive funding are as follows:

1. Programs that are entirely located within one or more, Geographical Areas (calculated on a block group basis) within the City in which more than half (>50%) of the residents have an annual median income (AMI), adjusted for family size, that is eighty percent (80%) or less of the AMI for Broward County, Florida, as published by the Florida Housing Finance Corporation for the applicable year. Census block data shall be derived by the most recent available decennial census. In addition, any census tract(s) where 16% or more of the population falls under the federal poverty rate shall be included; and
2. Those programs that require funding to either assist qualifying individuals and/or capital infrastructure improvements as follows:
 - a. Rehabilitating existing LMI Area residential property, subject to restrictive covenants requiring that the affordability of the residential units be maintained for a period of at least 10 years for owner-occupied housing and at least 15 years for rental housing, or such other duration as approved by the County Administrator or the Broward County Board of County Commissioners;
 - b. Affordable/workforce LMI Area housing programs (including home repair and purchase assistance);
 - c. First-time LMI Area homebuyer assistance programs, subject to restrictive covenants requiring that the affordability of the residential units be maintained for a period of at least 15 years;
 - d. Actual expenses for planning, designing, or implementing horizontal infrastructure (i.e., drainage, wastewater, water supply, solid waste, lighting, paving, bridges, roadways, canals, or transportation in LMI Areas), provided that total expenditures for this category shall not exceed 15% of all County Contributions and all Affordable Housing Funding;
 - e. Work skills programs that enable residents to apprentice on projects and gain new life skills;
 - f. Gap financing for the development of multi-family affordable housing, not

- to exceed \$3M per fiscal year, with an “Affordability Period” of no less than 30 years.
- g. Other affordable housing programs approved in writing by the Broward County Administrator.

CCF Funding Authority and Commitment

Funding is authorized by the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing approved by the Hollywood City Commission on October 3, 2018, pursuant to Resolution No. R-2018-324 and executed the same date.

Funds may be committed for the provision of Purchase Assistance, Housing Rehabilitation, Work Skills Development, or Actual expenses for planning, designing, or implementing horizontal infrastructure (i.e., drainage, wastewater, water supply, solid waste, lighting, paving, bridges, roadways, canals, or transportation in LMI Areas), gap financing for the development of multi-family affordable housing, not to exceed \$3M per fiscal year, with an “Affordability Period” of no less than 30 years, and other affordable housing programs approved in writing by County Administrator

The City shall not commit CCF to a project until all necessary financing is secured, a budget and construction schedule established, underwriting and subsidy layering completed, and construction is scheduled to begin within a reasonable time period of the commitment.

Signatories to written agreements shall date the document in order for it to constitute a valid commitment.

Program And Policy Administration

The administration of this Policy, and as amended from time to time, shall fall within the scope of the Community Development Division. Administration and oversight of the programs shall adhere to all applicable requirements of the ILA. As part of the Division's administrative oversight, all vendors and approved partnerships shall be subject to inquiry by the General Services Administration (GSA) system for the purpose of disseminating information on parties that are excluded from receiving federal contracts, certain subcontracts, and certain federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, 48 CFR Section 9.404, as amended from time to time, and each agency's codification of the Common Rule for Non-procurement Suspension and Debarment. Vendors and partnerships on the debarred list shall not be eligible for financial benefits.

Affirmative Marketing

The City of Hollywood shall make every effort to inform the general public of opportunities for assistance available through the Community Development Division by placing advertisements in newspapers of general circulation, by periodically disseminating

informational material to residents (renters and property owners) without regard to race, color, national origin, sex, religion, familial status or disability. In addition, any administrator of funds generated by the ILA shall be required to undertake these same affirmative marketing outreach efforts.

Written Agreements with Administrators, Developers or Contractors

The City shall, when entering into an agreement with a qualified Administrator, Developer or Contractor, determine the role of the entity as set forth below:

- Any entity carrying out all or a portion of a program is serving in the capacity of Administrator.
- Any entity carrying out specific projects within a program is serving in the capacity of Developer, or Contractor.

Written agreements with Administrators, Developers, or Contractors shall include, but not necessarily be limited to the following:

- Requirements for income determinations, rehabilitation standards (where applicable), homebuyer program policies (where applicable), and affordability requirements as set forth in the ILA.
- Provisions that provide the funding amounts and requirements for utilization of said funds for specific programs and activities (i.e. purchase assistance, work skills programs, housing rehabilitation, etc.), the number of projects to be funded or loans to be made, tasks to be performed, schedule for completion, and any requirements for matching contributions, and a budget for each program.
- Provisions that require the Administrator, Developer, or Contractor (including any other entity that receives funds covered by this policy through the Administrator, Developer or Contractor) to comply with the requirements of the ILA.
- Provisions outlining the affordability requirements to be incorporated into the required Declaration of Restrictive Covenants running with the land, or other legal mechanisms approved by the City. (This requirement excludes General or Residential contractors that are solely providing construction services).
- A provision requiring Administrators, Developers, or Contractors to specify the number and size of each rental unit, separated by funding source, and designated as "fixed" or "floating". (This requirement excludes General or Residential contractors that are solely providing construction services)
- A requirement for the Administrator, Developer, or Contractor to provide the address of each affected unit to the city by the time of project completion.
- A requirement that the Administrator, Developer, or Contractor specify initial rents (where applicable), the procedures for rent increases and that such initial rent prices and increases shall be in accordance with the requirements of the ILA and approved by the City's Community Development Division prior to the institution of said rents. (This requirement excludes General or Residential contractors that are solely providing construction services).
- Agreements relating to homeownership projects shall set forth conditions of the Declaration of Restrictive Covenants, repayment provisions, the selling price or basis on which the selling price is established, and the disposition of sales proceeds.

(This requirement excludes General or Residential contractors that are solely providing construction services).

- A provision that requires the Administrator, Developer, or Contractor to identify any limitation on eligibility or preference given to a particular segment of the population. Any limitation or preference shall not violate nondiscrimination requirements set forth in 24 CFR Part 5 and shall meet with the approval of the City and must comply with the requirements of the ILA.
- A provision that requires annual reports on rents and occupancy of assisted units to verify compliance with affordability requirements. If a project has floating units, information on unit substitution and filling vacancies to ensure that the project maintains the required unit mix. (This requirement excludes General or Residential contractors that are solely providing construction services)
- Written prohibitions against owners charging fees that are not reasonable and customary. For rental housing, owners may charge reasonable application fees to prospective tenants, other fees (such as parking fees) only to the extent that they are reasonable and customary for the project area; and fees for services provided to tenants, provided that these services are not mandatory. (This requirement excludes General or Residential contractors that are solely providing construction services).

In situations where Purchase Assistance is provided through a non-profit or for-profit entity that also provides first mortgage financing to the homebuyer, or the City contracts with a for-profit or non-profit lender to make eligibility determinations, but another entity (the City or otherwise) is providing the financial assistance, the City shall ensure the following:

- The assistance is provided only as specified in a written agreement between the city and the lender. The agreement shall specify the forms, amounts, and any conditions of homeownership assistance the lender is authorized to provide.
- Prior to the City committing to any assistance, the City shall verify that the applicant is eligible to receive assistance in accordance with the ILA and shall inspect the housing for compliance with property standards set forth within these policies.
- The for-profit or non-profit organizations are not charging fees (such as origination fees or points) to the applicant for the Purchase assistance that the organization provides.

Conflict Of Interest

Generally, persons who are in a decision-making position with regard to these activities, may not obtain a financial interest or benefit from the assisted activities described in the Policy, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure, or for two years thereafter. However, this statement is not intended to prevent a non-profit where an elected or appointed official serves on the board that may provide affordable housing in association with the ILA from

participating, providing the public official does not receive a salary or any other financial compensation for serving on the board.

Green Building Practices

The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Monitoring And Inspections

Purpose

The City shall follow a system for assessing the potential risk of activities and projects, and a system for monitoring entities, which includes but is not necessarily limited to Administrators, Developers, or Contractors to ensure that ILA requirements are met.

Policy

Risk Assessment - During Project Evaluation, the City shall determine the potential risk of the project by evaluating the Administrator's, Developer's, or Contractor's past performance and financial capability to perform the required duties.

Monitoring Schedule - During the contracting period, the City shall assign staff, develop reporting criteria, and schedule program monitoring that shall include at least one on-site monitoring visit to ensure adherence to ILA regulations.

Inspection Schedule - The property receiving assistance will be inspected periodically during construction to gauge progress.

Order Of Assistance

The City (or Administrator, Developer, or Contractor acting on behalf of the City) shall accept applications for assistance on a continual basis. Applications will be processed based on the date of submission for each program. Applications will be processed with first priority given to Veteran Households and second priority given to Senior Households (one member of the household is age 55 or older); however, if any need for service is deemed to constitute an imminent threat to the health, safety or welfare of the public, the occupant or the property, as determined solely by City staff, the project shall be prioritized and may supersede other applications.

Reporting

All County Contributions and Affordable Housing Programs funding shall be deposited and maintained in an account designated solely for this purpose (Program Funding Account). On an annual basis, no later than December 31 of each year, the City shall provide a written report to the County that includes the following information:

- The total balance of the Program Funding Account, and all deposits to and debits from the Program Funding Account for the prior fiscal year; and
- A list of all Affordable Housing Programs that received any funding during the prior fiscal year (including any expenditure, encumbrance, appropriation, or other designation of funds) and for each such program:
 - identification of the source(s) of all funding to date for the program;
 - the total amount received from each funding source; and
 - the total amount paid or expended to date for the program.

Right of Appeal

In the event a program participant is dissatisfied with a decision or determination made by Community Development Division staff, the participant may appeal in writing to the Director of Development Services, or his/her designee. The Director, or his/her designee shall have final administrative authority to settle any such dispute in accordance with the requirements of the ILA.

Vendor Preference

Local vendors shall receive a preference in providing Administrator, Developer or Contractor services, as described below.

Local Vendor - A Local Vendor with at least one full-time employee and a permanent place of business within the city limits for at least one year before award of their first bid.

Local Minority-Owned Business Enterprise (MBE) - A Local Vendor in which at least fifty-one percent (51%) is owned, operated and controlled by citizens who meet one of the following ethnic definitions: (i) African American or Black, (ii) Hispanic or Latino, (iii) Asian, (iv) Native Hawaiian or Other Pacific Islander, (v) Native American or Alaska Native.

Local Woman-Owned Business Enterprise (WBE) - A Local Vendor in which at least fifty-one percent (51%) is owned, operated, and controlled by citizens who are women.

Preference Process - A local vendor whose bid is within five percent (5%) of the lowest responsive, responsible bid (overall) will be allowed to submit a second bid. The second bid must be no greater than one percent (1%) more than the lowest overall bid for the local vendor to be awarded the bid. If more than one local vendor is within five percent (5%) of the lowest overall bid, those local vendors are permitted to submit a best and final offer. A local MBE/WBE that is within one percent (1%) of the lowest best and final offer will be given priority in bid award, otherwise, the local vendor submitting the lowest bid shall be awarded the bid.

Owner-Occupied Housing Rehabilitation

Introduction

An objective of the ILA is to offer financial assistance to low- and moderate-income households in order to improve housing affordability and enhance the livability and appearance of housing within LMI Areas. The Owner-Occupied Housing Rehabilitation Program provides funding to be used for exterior only housing rehabilitation improvements. Funding may be used to pay for labor, materials, and other related delivery costs incurred to improve the exterior appearance of a single-family housing unit within the LMI Area defined in the ILA. These improvements must relate to the repair or replacement of the components listed below, along with any ancillary components (including one-year insurances) necessary to accomplish the project.

- Roof
- Exterior paint
- Fences
- Driveway, public sidewalks and private walkways
- Irrigation system
- Landscaping, including sod and tree trimming/removal/installation
- Impact-resistant windows or shutter system, and doors, including garage door
- Security lighting

Standards

The standards for housing rehabilitation are as follows:

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Contractor Selection

Projects shall be conducted using an approved pool of General and Residential Contractors selected through a competitive bidding process and/or contractors operating in partnership with an administrator or developer selected by the City. The City or its administrator or developer shall review and approve work write-ups (i.e., plans and specifications), prepare cost estimates and cause the work to be performed in accordance with the requirements of the program.

Source of Funding

Funding for the Owner-Occupied Housing Rehabilitation Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Owner-Occupied Housing Rehabilitation Program meets the ILA objective of rehabilitating existing LMI area residential property and requiring the affordability of the unit be maintained for a period of at least 10 years. Housing rehabilitation shall be conducted within the framework of the City's statutory regulations and applicable local policies and procedures.

Applicant Eligibility

- Applicant(s) shall meet the applicable income eligibility requirements of a maximum household income level of at or below 120% of AMI, adjusted for family size.
- All Owner-Occupied Housing Rehabilitation Program applicants shall participate in a pre-qualification review which includes the submission of all documents necessary to establish eligibility and participate in the program.
- Applicant(s) shall not be anticipating nor involved in any bankruptcy or foreclosure action during any stage of the process.
Applicant(s) shall be a United States Citizen or legal resident, shall own and occupy the property, and shall comply with all program terms and conditions.
Applicant(s) shall be current on all secured mortgage(s), and property taxes at the time of application.

Property Eligibility

- Owner-occupied, detached, single family homes, townhomes, and condominiums are eligible property types. Mobile homes, multiple dwelling units, co-operatives and

properties utilized or advertised as short-term rentals or vacation rentals are not eligible.

- The property in need of repair must be located within the LMI Areas defined in the ILA.
- Eligible properties shall have been granted Homestead Exemption from the Broward County Property Appraisers Office, or the owner shall have applied for exemption.
- The property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- If the property does not meet the Standards for Owner-Occupied Rehabilitation, the proposed improvements shall bring the property into compliance with the standards, either through the use of CCF funds, or a combination of CCF funds and other resources.
- The maximum amount of financial assistance for eligible repair items shall not exceed \$40,000 per unit.

Financial Terms

- Financial assistance will be provided in the form of a Conditional Grant requiring the beneficiary to maintain the home as an affordable unit for a period of not less than 10 years. The 10-year Affordability Period shall be secured by a Declaration of Restrictive Covenants, City Lien, Personal Guarantee, or other acceptable form of security instrument.
- The amount of the City Lien due at the end of the Affordability Period, or at such time the beneficiary seeks satisfaction of the City Lien, shall reflect an annual reduction of 1/10th of the City's total investment.
- If the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means during the Affordability Period, the City Lien shall be immediately due and payable, with the amount due reflecting an annual reduction of 1/10th of the City's total investment beginning on the date the conditional grant was issued and ending on the date the status of the property changed.
- Homeowners shall maintain the property in accordance with all applicable codes and regulations in order to prevent waste, impairment or deterioration. Failure on the owner's part shall be considered a default under the City's Lien, and the City may recapture its investment using the appropriate legal remedies.

Investment Security and Limitations

- Property taxes shall be current at the time of application.
- The City may deny assistance to an applicant whose property has additional indebtedness including, but not necessarily limited to City, State and/or federal liens.
- Upon foreclosure by a superior lien, the City may pursue any and all applicable legal remedies against the property owner pursuant to the City's Lien and applicable legal

instruments.

Existing Lien Transactions

Upon the property owner's request to refinance a superior lien or satisfy and/or subordinate the City's Lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the remaining indebtedness is due upon rental, sale, or transfer of the property within the Affordability Period. The city may allow subordination of its lien. Generally, the city will not subordinate its lien to allow cash out, except to facilitate home repairs, educational or medical expenses, subject to verification by City staff or Program Administrator. The Community Development Manager, or designee, is authorized to make any management decision concerning Refinance Requests and Subordination which does not conflict with applicable ILA requirements or applicable regulations, laws, or ordinances.

Release of Lien

The City Manager is authorized to execute and deliver Release of the City's Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to release a City Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The property owner is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

Assumption of Lien

When a property rehabilitated with CCF funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the City's Lien and execute a new Personal Guarantee, providing he/she occupies the home as their primary residence and qualifies under the program and income limits in place at the time of transfer of ownership. Otherwise, the amount of City Lien remaining shall be immediately due and

payable. The Community Development Manager is authorized to negotiate a repayment schedule for persons who come into ownership of the subject property by inheritance, or similar circumstances, when necessary to maintain housing affordability.

Single Family Rental Rehabilitation

Introduction

An objective of the ILA is to offer financial assistance to low- and moderate-income households in order to improve housing affordability and enhance the livability and appearance of housing within LMI Areas. The Single-Family Rental Rehabilitation Program provides funding to be used for two types of assistance;

1. Exterior Only Rental Rehabilitation - Funding may be used to pay for labor, materials, and other related delivery costs necessary to improve the exterior appearance of a single-family housing unit within the LMI Areas defined in the ILA. These improvements include repair or replacement of the components listed below, along with any ancillary work components necessary to accomplish the project.
 - Roof
 - Exterior paint
 - Fences
 - Driveway, public sidewalks and private walkways
 - Irrigation system
 - Landscaping, including sod and tree trimming/removal/installation
 - Impact-resistant windows or shutter system, and doors, including garage door
 - Security lighting
 - Sewer Connection and Septic System Abandonment.
2. Comprehensive Rental Rehabilitation - Funding may be used to pay for labor, materials, and other related delivery costs necessary to make improvements that are not eligible under Exterior Only Rental Rehabilitation and that correct actual or potential hazards to the health, safety, and welfare of the occupant(s).

Standards

The standards for Single Family Rental Rehabilitation are:

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- Department of Housing and Urban Development (HUD) Housing Quality Standards (HQS).

- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth herein, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Contractor Selection

Projects shall be conducted using an approved pool of General and Residential Contractors selected through a competitive bidding process and/or contractors operating in partnership with an administrator or developer selected by the City. The City or its administrator or developer shall review and approve work write-ups (i.e., plans and specifications), prepare cost estimates and cause the work to be performed in accordance with the requirements of the program.

Source of Funding

Funding for the Single-Family Rental Rehabilitation Program is provided by "County Contribution Funds" (CCF) derived from the interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Single-Family Rental Rehabilitation Program meets the ILA objective of rehabilitating existing LMI area residential rental property and requiring the affordability of the unit be maintained for a period of at least 15 years. Housing rehabilitation shall be conducted within the framework of the City's statutory regulations as well as applicable local policies and procedures.

Applicant Eligibility

- Applicant(s) must have a current Local Business Tax Receipt from the City of Hollywood relative to the subject property folio number.
- A single ownership entity is prohibited from receiving financial assistance to rehabilitate more one property (folio number).
- All Single-Family Rental Rehabilitation Program applicants shall participate in a pre-qualification review which includes the submission of all documents necessary to establish eligibility and participate in the program.
- Applicant(s) shall not be anticipating nor involved in any bankruptcy or foreclosure action during any stage of the process.
- Applicant(s) shall be a United States Citizen or legal resident, shall own the property, and shall comply with all program terms and conditions, including but not limited to rent restrictions.
- Applicant(s) shall be current on all secured mortgage(s) and property taxes at the time of application.

Property Eligibility

- Detached, single-family rental homes, townhouses, and condominiums. Mobil homes, multiple dwelling units, co-operatives and properties utilized or advertised as short-term rentals or vacation rentals are not eligible.
- The property in need of repair must be located within the LMI Areas defined in the ILA.
- The property shall conform to City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- If the property does not meet the Standards for Single Family Rental Rehabilitation, the proposed improvements shall bring the property into compliance with these standards.
- The maximum amount of financial assistance available for housing rehabilitation shall not exceed \$40,000.00 per unit, except to correct actual or potential hazards to the health, safety, and welfare of occupant(s) in accordance with the "Comprehensive Rental Rehabilitation Program".

Financial Terms

"Exterior Only Rental Rehabilitation" and "Comprehensive Rental Rehabilitation" assistance shall be provided in the form of a Deferred- Payment Zero Percent (0%) Interest Loan requiring the Property Owner to maintain the property as an affordable housing unit for a period of 15 years. Under the terms and conditions of the City's Deferred- Payment Promissory Note and Lien, the debt is due in full on the maturity date. The City may also

declare the principal balance of the loan due in full at any time prior to the maturity date, if Property Owner defaults on any of the term or condition of the Declaration of Restrictive Covenants, Lien and/or Promissory Note.

If the property is sold, transferred, or conveyed by any other means, or ceases to be used as an affordable housing unit during the Affordability Period, the City Lien shall be immediately due and payable.

Property Owner shall maintain the property in accordance with all applicable codes and regulations in order to prevent waste, impairment or deterioration. Failure on the owner's part to comply with this requirement shall be considered a default under the City's Lien, and the City may recapture its investment using the appropriate legal remedies.

Investment Security and Limitations

- Property taxes shall be current at the time of application.
- The City may deny assistance to an applicant whose property has additional indebtedness including, but not necessarily limited to City State and/or federal liens.
- Upon foreclosure of a superior lien, the City may pursue any and all applicable legal remedies to recapture its investment pursuant to the City's Lien and applicable legal instruments.

Existing Lien Transactions

Upon the property owner's request to refinance a superior lien, or satisfy and/or subordinate the City's Lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the indebtedness is due upon rental, sale, or transfer of the property within the Affordability Period. The city may subordinate its lien. Generally, the city will not subordinate its lien to allow cash out, except to facilitate repairs to the unit or when circumstances create additional affordable housing units. The Community Development Manager, or designee, is authorized to make any management decision concerning Refinance Requests and Subordination which does not conflict with applicable ILA requirements or applicable regulations, laws, or ordinances.

Release of Lien

The City Manager is authorized to execute and deliver Release of Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien,

or full payment of the City's lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to satisfy the City's Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The property owner is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

Assumption of Lien

When a rental property rehabilitated with CCF funds transfers ownership other than through sale, such as inheritance, during the Affordability Period, the new owner may apply for an assumption of the City Lien and execute a new Personal Guarantee, or other appropriate security instrument, providing he/she either maintains the conditions of the Declaration of Restricted Covenant or occupies the home as their primary residence and qualifies under the program and income limits in place at the time of transfer of ownership. Otherwise, the entirety of the City Lien shall immediately be due and payable. The Community Development Manager is authorized to negotiate payment schedules for persons who come into ownership of the subject property by inheritance, or a similar circumstance, when necessary to maintain housing affordability.

Rent Restrictions

Rents

The applicant shall restrict both the rent and the occupancy of the assisted rental unit for the entirety of the Affordability Period, a minimum of 15 years. The income of the tenants and the gross rents must not exceed the Combined Income Limits and Rent Limits for the 80% of AMI Category for Broward County posted annually by the Florida Housing and Finance Corporation. Gross rent is rent charged by the landlord, plus an allowance for tenant-paid utilities, as contained within the most recent Hollywood Housing Authority Utility Allowance Schedule.

Lease

The tenant must execute a written lease for a term of not less than one year. The Lease shall not contain the following lease conditions:

1. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
2. Treatment of property. Agreement by the tenant that the owner may take, hold,

or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

3. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
6. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Multi-Family Rental Rehabilitation

Introduction

An objective of the ILA is to offer financial assistance to low- and moderate-income households in order to improve housing affordability and enhance the livability and appearance of housing within LMI Areas. The Owner-Occupied Housing Rehabilitation Program provides funding to be used for exterior only housing rehabilitation improvements. Funding may be used to pay for labor, materials, and other related delivery costs incurred to improve the exterior appearance of a single-family housing unit within the LMI Area defined in the ILA. These improvements include repair or replacement of the components listed below, along with any ancillary work necessary to accomplish the project.

1. Exterior Only Rental Rehabilitation - Funding may be used to pay for labor, materials, and other related delivery costs incurred to improve the exterior appearance of a single-family housing unit within the LMI Areas defined in the ILA. These improvements include repair or replacement of the components listed below, along with any ancillary components necessary to accomplish the project.
 - Roof
 - Exterior paint
 - Fences

- Driveway, public sidewalks and private walkways
 - Irrigation system
 - Landscaping, including sod and tree trimming/removal/installation
 - Impact-resistant windows or shutter system, and doors, garage door
 - Security lighting
 - Sewer Connection and Septic System Abandonment
2. Comprehensive Rental Rehabilitation - Funding may be used to pay for labor, materials, and other related delivery costs necessary to make improvements that are not eligible under Exterior Only Rental Rehabilitation and that corrects actual or potential hazards to the health, safety, and welfare of the occupant(s).

Standards

The standards for Multi-Family Rental Rehabilitation are:

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- Department of Housing and Urban Development (HUD) Housing Quality Standards (HQS)
- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Contractor Selection

Projects shall be conducted using an approved pool of General and Residential Contractors selected through a competitive bidding process and/or contractors operating in partnership with an administrator or developer selected by the City. The City or its administrator or developer shall review and approve work write-ups (i.e., plans and specifications), prepare cost estimates and cause the work to be performed in accordance with the requirements of the program.

Source of Funding

Funding for the Multi-family Rental Rehabilitation Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County,

the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Multi-Family Rental Rehabilitation Program meets the ILA objective of rehabilitating existing LMI area residential rental property and requiring the affordability of the unit be maintained for a period of at least 15 years. Housing rehabilitation shall be conducted within the framework of the City's statutory regulations, as well as applicable local policies and procedures.

Applicant Eligibility

- Applicant(s) must have a current Local Business Tax Receipt from the City of Hollywood relative to the subject property folio number.
- A single ownership entity is prohibited from receiving financial assistance to rehabilitate more than one property {folio number}.
- All Multi-family Rental Rehabilitation Program applicants shall participate in a pre-qualification review which includes the submission of all documents necessary to establish eligibility and participate in the program.
- Applicant(s) shall not be anticipating nor involved in any bankruptcy or foreclosure action during any stage of the process.
- Applicant(s) shall be a United States Citizen or legal resident, shall own the property, and shall comply with all program terms and conditions, including, but not limited to applicable rent restrictions.
- Applicant(s) shall be current on all secured mortgage(s) and property taxes at the time of application.

Property Eligibility

- Multi-family rental property containing 2-4 units under a single folio or tax identification number (commonly referred to as duplex, triplex and quadplex). Mobil homes, co-operatives and properties utilized or advertised as short-term rentals or vacation rentals are not eligible.
- The property in need of repair must be located within the LMI Areas defined in the ILA
- The property shall conform to City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- If the property does not meet the Standards for Single Family Rental Rehabilitation, the proposed improvements shall bring the property into compliance with the standards.
- The maximum amount of financial assistance available shall not exceed \$20,000.00 per unit, except to correct actual or potential hazards to the health, safety, and welfare of the occupant(s) in accordance with the "Comprehensive Rental Rehabilitation Program".

Financial Terms

"Exterior Only Rental Rehabilitation" and "Comprehensive Rental Rehabilitation" assistance shall be provided in the form of a Deferred- Payment, Zero Percent {0%} Interest Loan requiring the owner to maintain the property as an affordable housing unit for a period of 15- years. Under the terms and conditions of the City's Deferred-Payment Promissory Note and Lien, the debt is due in full on the maturity date. The City may also declare the principal balance of the loan due in full at any time prior to the maturity date, if owner defaults on any of the terms or conditions of the Declaration of Restrictive Covenants, Lien and/or Promissory Note.

If the property is sold, transferred, or conveyed by any other means, or ceases to be used as an affordable housing unit during the Affordability Period, the City Lien shall be immediately due and payable.

The owner shall maintain the property in accordance with all applicable codes and regulations in order to prevent waste, impairment or deterioration. Failure on the owner's part to comply with this requirement shall be considered a default under the City's Lien, and the City may recapture its investment using the appropriate legal remedies.

Investment Security and Limitations

- Property taxes shall be current at the time of application.
- The City may deny financial assistance to an applicant whose property has additional indebtedness including, but not necessarily limited to City, State and/or federal liens.
- Upon foreclosure a superior lien, the City may pursue any and all appropriate legal remedies to recapture its investment pursuant to the City's Lien and other legal instruments.

Existing Lien Transactions

Upon the property owner's request to refinance a superior lien, or satisfy and/or subordinate the City's lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien and Personal Guarantee, full payment of the indebtedness is due at the end of the 15-year Affordability Period or upon sale or transfer of the property during the Affordability Period. The City may subordinate its lien. Generally, the City will not subordinate its lien to allow cash out, except to facilitate unit repairs or for circumstances that create additional affordable housing units. The Community Development Manager, or designee, is authorized to make any management decision concerning Refinance Requests and Subordination which does not conflict with applicable ILA requirements or applicable regulations, laws, or ordinances. The Community

Development Manager, or designee, is authorized to make any management decision concerning' Refinance Requests and Subordination which does not conflict with applicable ILA requirements.

[Release of Lien](#)

The City Manager is authorized to execute and deliver Release of Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to satisfy a City Lien shall be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The property owner is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

[Assumption of Lien](#)

When a property rehabilitated with CCF funds transfers ownership other than through sale, such as by inheritance, the new owner may apply for an assumption of the lien and execute the appropriate security instrument, providing he/she agrees to adhere to the terms and conditions of the program in place at the time of transfer of ownership. Otherwise, the remaining amount of the City Lien shall immediately be due and payable. The Community Development Manager is authorized to negotiate a payment schedule for persons who come into ownership of the subject property by inheritance, or similar circumstance, when necessary to maintain housing affordability.

[Rent Restrictions](#)

[Rents](#)

The Property Owner shall restrict both the rent and the occupancy of the assisted rental unit for the entirety of the Affordability Period, a minimum of 15 years. The income of the tenants and the gross rents must not exceed the Combined Income Limits and Rent Limits for the 80% of AMI Category for Broward County posted annually by the Florida Housing and Finance Corporation. Gross rent is rent charged by the landlord, plus an allowance for tenant-paid utilities, as contained within the most recent Hollywood Housing Authority Utility Allowance Schedule.

[Lease](#)

The tenants must execute a written lease for a term of not less than one year. The Lease shall not contain the following conditions:

1. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
2. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
3. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
6. Waiver of a jury trial. Agreement by the tenant to waive any right to jury by trial
7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

First-Time Homebuyer Purchase Assistance Program

Introduction

An objective of the ILA is to offer financial assistance to qualified applicants that enables them to achieve homeownership. This policy shall govern the coordination of various activities among the public and private partnership participants of the ILA Program entitled "First-Time Homebuyer Purchase Assistance Program". Specifically, this policy applies to eligible homebuyers, City staff, participating private sector lenders, Community Housing Development Organizations (CHDOs), and for-profit and non-profit housing providers and housing services providers. The First-Time Homebuyer Purchase Assistance Program will be carried out within the LMI Areas defined in the ILA.

First-Time Homebuyer Definition: A First-Time Homebuyer is an individual who meets any one of the following criteria:

1. An individual who has had no ownership in a residential dwelling during the 3-year period prior to the date of the initial application for financial assistance.

2. A single, divorced parent who has only owned a residential dwelling with a former spouse while married.
3. An individual who is a displaced homemaker and has only owned a primary residence with a spouse and provides evidence of displacement suitable to City staff.
4. An individual who has only owned a primary residence not permanently affixed to a permanent foundation.

Source of Funding

Funding for the First-Time Homebuyer Purchase Assistance Program is provided by "County Contribution Funds" (CCF) derived from the Inter-local Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The First-time Homebuyer Purchase Assistance Program meets the ILA objective of providing financial assistance for First-time Homebuyers for the purchase of housing within the LMI Areas defined within the ILA and preserving the unit's affordability for a period of at least 15 years.

Applicant Eligibility

- Applicant(s) shall meet the applicable income eligibility requirements of a maximum household income level of at or below 120% of AMI adjusted for family size.
- While no minimum income is required, the applicant must have sufficient income to repay debt and maintain the housing unit.
- First-time Homebuyer Purchase Assistance Program applicants shall participate in a pre-qualification review which includes the submission of all information and documentation necessary to establish eligibility for participation in the program.
- First-time Homebuyer Purchase Assistance Program applicants shall attend eight hours of Housing Counseling provided by a United States Department of Housing and Urban Development (HUD) Certified Housing Counselor. Completion certificates must be dated within one year of application for the program and must include both the borrower and co-borrower, if any.
- First-time Homebuyer Purchase Assistance Program applicants must not have owned a home within the previous three years or must meet the definition of First-Time Homebuyer described herein.
- First-time Homebuyer Purchase Assistance Program applicants shall be a United States Citizen or legal resident, shall own and occupy the property, and shall comply with all terms and conditions of the program.
- Must have financial ability to secure a private loan for part of the cost for the housing unit. Funds provided by the City will only be used as a subsidy to a private loan to lower

monthly housing costs to the applicant, to pay closing costs, and serve as part of the down payment amount.

- At the time of application to the First-time Homebuyer Assistance Program, applicant must document proof of liquid assets on deposit of no less than 3% of the private loan amount.

Property Eligibility

- Detached, single family homes, townhomes, and condominiums are eligible for the First-time Homebuyer Purchase Assistance Program. Mobile homes, multiple dwelling units and co-operatives are not eligible.
- The property being purchased shall be located within the LMI Areas defined in the ILA.
- The property being purchased is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- The property being purchased shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- The purchase price of the property shall not exceed 90% of the most current average area purchase price for Broward County, as published by the Florida Housing Finance Agency.

Financial Terms

- Financial assistance will be provided in the form of a Conditional Grant requiring the beneficiary to maintain the home as an affordable unit for a period of not less than 15 years. The 15-year Affordability Period shall be secured by a Declaration of Restrictive Covenants, City Lien, Personal Guarantee, or other acceptable form of security instrument(s).
- Level of Assistance: Financial assistance will be provided only in a dollar amount required to keep housing expenses affordable; and to meet lender underwriting standards, closing costs and down payment expenses. The amount of monies received per applicant will be based upon their ability to repay a private lender loan. Each applicant is required to spend at least 25%, but no more than 38%, of their gross income for housing expenses (mortgage principal and interest, property taxes, property insurance, applicable Homeowner's, or Condominium Association dues). The total debt ratio (including housing costs) may not exceed 45%. The maximum amount of assistance per applicant is \$50,000.00.
- First Mortgages must be fixed rate conventional, bond, or governmental loans with no pre-payment penalty. Interest only, balloon, option, Adjustable-Rate Mortgages (ARMS) and subprime loans are ineligible. The maximum interest rate to be charged on the first mortgage will be set on the first business day of each month and may not exceed 2.0% over the Fannie Mae 30-year, 60-day mandatory delivery rate. The interest rate cap is effective for the entire month.

- The amount of the City Lien due at the end of the Affordability Period, or at such time the beneficiary seeks satisfaction of the City Lien, shall reflect an annual reduction of 1/15th of the City's total investment.
- If the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means during the Affordability Period, the City Lien shall be immediately due and payable, with the amount due reflecting an annual reduction of 1/15th of the City's total investment beginning on the date the conditional grant was issued and ending on the date the status of the property changed.
- The beneficiary shall maintain the property in accordance with all applicable codes and regulations in order to prevent waste, impairment or deterioration. Failure on the beneficiary's part shall be considered a default under the City's Lien, and the City may recapture its investment using the appropriate legal remedies.

Investment Security and Limitations

Upon foreclosure by a superior lien, the City may pursue any and all applicable legal remedies to collect the City Lien pursuant to the security instruments.

Existing Lien Transactions

Upon the property owner's written request to refinance a superior lien or to satisfy or subordinate the City's Lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the indebtedness is due upon rental, sale, or transfer of the property within the Affordability Period. The City may subordinate its lien, provided the combined Loan-to-Value Ratio does not exceed ninety percent (90%). Generally, the City will not subordinate its lien to allow cash out, except to pay for home repairs, educational or medical expenses, subject to verification by City staff or Program Administrator. The Community Development Manager, or designee, is authorized to make any administrative decision concerning Refinance Requests and Subordination that does not conflict with applicable ILA requirements or other regulations, laws, or ordinances.

Release of Lien

The City Manager is authorized to execute and deliver Release of the City's Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to release a City Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Lien shall be completed in accordance with

Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The property owner is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

Assumption of Lien

When a property purchased with CCF funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the City's Lien and execute a new Personal Guarantee, providing he/she occupies the home as their primary residence and qualifies under the program and income limits in place at the time of transfer of ownership. Otherwise, the City Lien shall immediately become due and payable. The Community Development Manager is authorized to negotiate a repayment schedule for persons who come into ownership of the subject property by inheritance, or similar circumstances, when necessary to maintain housing affordability.

Acquisition With Rehabilitation Single-Family Housing

Introduction

The Acquisition with Rehabilitation Single Family Housing Program provides for the acquisition and rehabilitation of single-family homes for future sale or rental to eligible beneficiaries. The program will increase opportunities for home ownership, provide affordable rental housing and improve the quality and appearance of existing housing stock. The program enables the City to leverage public and private funding to preserve and promote affordable housing. The program includes the activities described below.

- Acquisition - Funding used to purchase properties within LMI areas, as designated in the ILA.
- Rehabilitation - Funding used to pay for labor, materials, developer fees and other related costs incurred for complete rehabilitation and repair of single-family homes within the LMI Area defined in the ILA to a condition which is free of actual or potential hazards to the general health, safety and welfare of the occupant(s) and meets local building and housing codes.
- Purchase Assistance - Funding used to provide closing costs and down payment assistance to eligible households for the purchase of single-family homes that have been acquired and rehabilitated via the program described herein.

Contractor and Developer Selection

Contractor

Rehabilitation work shall be conducted using an approved pool of General and Residential Contractors selected through a competitive process and/or contractors operating in

partnership with an Administrator or Developer engaged by the City. The City or its Administrator or Developer shall review and approve work write-ups (i.e., plans and specifications), prepare cost estimates and cause the rehabilitation work to be performed in accordance with the requirements of the program.

Developer

Developer must be a non-profit organization/entity exempt from federal income tax under section 501(c)(3) of Title 26 of the United States Code. First priority will be given to Developer proposals that propose housing assistance for Veterans. Second Priority will be given to Developer proposals that propose housing assistance for Seniors. Procurement of Developer shall occur in one of the following ways: 1) via a competitive process that requires Developer to document their experience in providing affordable housing, proof of financial capacity, an executed contract for sale or other evidence of site control sufficient to prove ability to proceed promptly once funding is in place, and a housing unit design plan that meets the housing element requirements contained in the City's Comprehensive Plan; 2) via an unsolicited proposal process governed by Section 287.0512 of Florida Statutes and processed in accordance with Chapter 30 of the City of Hollywood Code of Ordinances; 3) as a Best Interest and Sole Source designation allowed in Chapter 38 of the City of Hollywood Code of Ordinances. The City at its option may act as "Developer" and carry out any all functions within this Acquisition with Rehabilitation Single-Family Housing Program.

Source of Funding

Funding for the Acquisition with Rehabilitation Single Family Housing Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Acquisition with Rehabilitation Single Family Housing Program meets the ILA objective of rehabilitating existing LMI Area residential property and preserving the affordability of homeownership units for a period of at least 10 years and the affordability of rental units for at least 15 years. Housing rehabilitation shall be conducted within the framework of the City's statutory regulations and applicable local policies and procedures.

Acquisition with Rehabilitation Single Family Homeownership

Property Eligibility

- Detached, single family homes only. Subject properties may be incorporated in a Community Land Trust, as defined in Florida Statutes, Section 193.018 (1).

- Subject property shall be located within the LMI Areas designated in the ILA.
- The property being purchased is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- Alternatively, the property shall be rehabilitated in conjunction with this program to meet HUD Housing Quality Standards, including correction of any unpermitted improvements. Prior to the commencement of any property acquisition or rehabilitation work under this program Developer shall submit, for written approval by City staff or program administrator, a detailed scope of work documenting the corrective actions necessary to meet HUD Housing Quality Standards.
- Subject property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- The purchase price of the property shall not exceed 90% of the most current average area purchase price for Broward County, as published by the Florida Housing Finance Agency. The maximum amount of financial assistance, including acquisition cost, rehabilitation, and developer fees shall not exceed \$250,000.00 per unit.

Standards for Housing Rehabilitation

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has established a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Developer Financial Terms:

- Financial assistance will be provided in the form of a zero percent (0%) interest, deferred-payment loan to acquire and rehabilitate properties for future sale to eligible end-buyers.
- The selling price of the property to the end-buyer shall not exceed the lesser of 90% of the most current average area purchase price for Broward County, as published by the Florida Housing Finance Corporation, or the appraised value of the property.
- The City shall recapture the total amount of its investment upon sale of subject property to an eligible end-buyer.

- Financial assistance will be provided to end-buyers only in the amount necessary to keep housing expenses affordable and to meet lender underwriting standards, closing costs and down payment expenses. The amount available to end-buyer will be based upon their ability to repay a mortgage issued by a private lender. End-buyer is required to spend at least 25%, but no more than 38%, of their gross income for housing expenses (mortgage principal and interest, property taxes, property insurance, and Homeowner Association dues, if applicable). The end-buyer's total debt ratio (including housing costs) shall not exceed 45%. The maximum amount of financial assistance available to end-buyer is \$50,000.
- The end-buyer's first mortgage must be a fixed-rate conventional mortgage, bond, or governmental loan with no pre-payment penalty. Interest only, balloon, option, Adjustable-Rate Mortgages (ARMS) and subprime loans are Ineligible. The maximum interest rate to be charged on the first mortgage will be set on the first business day of each month and may not exceed 2.0% over the Fannie Mae 30-year, 60-day mandatory delivery rate. The interest rate cap is effective for the entire month.
 - Failure on the Developer's part either to rehabilitate subject property to meet HUD Housing Quality Standards and sell the property to an eligible end-buyer within one year from the date the contract for sale is executed will be considered a default under the City's Mortgage and Promissory Note, and the City may pursue repayment and all other applicable legal remedies.
 - Developer shall maintain subject property in accordance with all applicable codes and regulations while the property is in Developer's possession. Developer shall maintain the property in order to prevent waste, impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the Developer's part shall be considered a default under the City's Mortgage and Promissory Note, and the City may pursue repayment and all other applicable legal remedies.

Homebuyer Eligibility

- The homebuyer shall meet applicable requirements regarding maximum household income of not more than 120% of AMI, adjusted for family size.
- There is no minimum income; however, the homebuyer must have sufficient income to service the debt and properly maintain the housing unit.
- Homebuyer shall participate in a pre-qualification review which includes the submission of all information and documentation necessary to establish eligibility for participation in the program.
- Homebuyer shall be a United States Citizen or legal resident, shall own and occupy the subject property as their primary residence, and shall comply with all terms and conditions of the program.
- The homebuyer must have the financial capacity to secure a loan from a private lender for a portion of the cost for the housing unit. Financial assistance provided by the City will only be used to subsidize a private loan in order to decrease the buyer's monthly housing costs, to pay closing costs, and serve as a portion of the down payment.

- Upon applying to participate in the Acquisition with Rehabilitation Single Family Housing Program, applicant must document proof of liquid assets on deposit of no less than 3% of the private loan amount.

Homebuyer Financial Terms:

- Financial assistance will be provided in the form of a Conditional Grant requiring the homebuyer to maintain the home as an affordable unit for a period of not less than 10 years. The 10-year Affordability Period shall be secured by a Declaration of Restrictive Covenants, City Lien, Personal Guarantee, or other acceptable form of security instrument(s).
- Level of Assistance: Financial assistance will be provided only in the amount required to keep housing expenses affordable and to meet lender underwriting standards, closing costs and down payment expenses. The amount available to homebuyer will be based upon their ability to repay a private lender loan. Applicant is required to spend at least 25%, but no more than 38%, of their gross income for housing expenses (mortgage principal and interest, property taxes, property insurance, and Homeowner Association dues, if applicable). The total debt ratio (including housing costs) shall not exceed 45%. The maximum amount of financial assistance available to end-buyer is \$50,000.00.
- The amount of the City Lien due at the end of the Affordability Period, or at such time the beneficiary seeks satisfaction of the City Lien, shall reflect an annual reduction of 1/10th of the City's total investment.
- If the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means during the Affordability Period, the City Lien shall be immediately due and payable, with the amount due reflecting an annual reduction of 10th of the City's total investment beginning on the date the conditional grant was issued and ending on the date the status of the property changed. If the property is sold as part of a Community Land Trust transaction, the City Lien is assumable by the new homebuyer.
- Funding may be combined with other County, state, local municipalities, federal, and certain approved assistance programs designated for affordable housing in certain instances.
- The beneficiary shall maintain the property in accordance with all applicable codes and regulations in order to prevent waste, impairment or deterioration. Failure on the beneficiary's part shall be considered a default under the City's Lien, and the City may recapture its investment using the appropriate legal remedies.

Homebuyer Loan Security and Limitations

- Beneficiary shall maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage in an amount sufficient to cover all loans against the property, with the City named as loss payee.
- If the beneficiary defaults on a superior mortgage, the City shall, whenever possible, recapture the entire amount of the City's indebtedness pursuant to the terms and

conditions of the City Lien. Upon foreclosure by the superior mortgagee, the City may pursue any and all applicable legal remedies against the beneficiary pursuant to the City's Lien.

Existing Mortgage Transactions

Upon the beneficiary's request to refinance, satisfy and/or subordinate the City's Lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the indebtedness is due upon rental, sale, or transfer of the property within the Affordability Period. The City may subordinate its lien, provided the combined Loan- to-Value Ratio does not exceed ninety percent (90%). Generally, the City will not subordinate its lien to allow cash out, except to facilitate payment of home repairs, educational or medical expenses, subject to verification by City staff or Program Administrator. The Community Development Manager, or designee, is authorized to make any administrative decision concerning Refinance Requests and Subordination that does not conflict with applicable ILA requirements or other regulations, laws, or ordinances.

Release of Lien

The City Manager is authorized to execute and deliver Release of the City's Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to release a City Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The homebuyer is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

Assumption of Lien

When a property rehabilitated and purchased with CCF funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the City's Lien and execute a new Personal Guarantee, providing he/she occupies the home as their primary residence and qualifies under the program and income limits in place at the time of transfer of ownership. Otherwise, the City Lien shall immediately become due and payable. The Community Development Manager is authorized to negotiate a repayment schedule for persons who come into ownership of the subject property by inheritance, or similar circumstances, when necessary to maintain housing affordability.

Acquisition with Rehabilitation Single Family- Rental Occupancy

Property Eligibility

- Detached, single family homes only. Subject properties may be incorporated in a Community Land Trust, as defined in Florida Statutes, Section 193.018 {1}. Mobil homes and co- operatives are not eligible.
- Subject property shall be located within the LMI Areas designated in the ILA.
- The property is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- Alternatively, the property shall be rehabilitated in conjunction with this program to meet HUD Housing Quality Standards, including correction of any unpermitted improvements. Prior to the commencement of any property acquisition or rehabilitation work under this program, the Developer shall submit, for written approval by City staff or program administrator, a detailed scope of work documenting the corrective actions necessary to meet HUD Housing Quality Standards.
- Subject property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- The purchase price of the property to be acquired shall not exceed the appraised value in its "AS IS" condition.
- The maximum amount of financial assistance including acquisition cost, rehabilitation cost, and developer fee shall not exceed \$250,000.00 per unit.

Standards for Housing Rehabilitation

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Developer/Landlord Financial Terms:

- Financial Assistance will be provided in the form of a zero percent interest (0%), deferred-payment loan with a term of 15 years to acquire and rehabilitate properties to produce affordable rental units for eligible beneficiaries. Under the terms and conditions of the City's Lien, the entire amount of the debt shall be forgiven at the end of the Affordability Period.
- The Developer/Landlord shall maintain the property as an affordable housing unit for a period of 15 years, which shall be secured by Declaration of Restrictive Covenants.
- The City may declare the principal balance of the loan due in full at any time prior to the maturity date, if the
- Developer/Landlord defaults on any of the terms or conditions of the Declaration of Restrictive Covenants or the City Lien.
- Failure on the part of the Developer/Landlord to rehabilitate the property to meet HUD Housing Quality Standards and rent the property to an eligible beneficiary within one year from the date of acquisition will be considered a default under the City's Lien, and the City may pursue repayment and all other applicable legal remedies.
- Developer/Landlord shall maintain the property in accordance with all applicable codes and regulations. Developer/Landlord shall maintain the property in order to prevent waste, impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the part of the Developer/Landlord shall be considered a default under the City's Lien wherein the City may pursue repayment and all other applicable legal remedies.

Developer/Landlord Security and Limitations

- Developer/Landlord shall maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage in an amount sufficient to cover all loans against the property, with the City named as loss payee.
- If the Developer/Landlord defaults on a superior mortgage, the City shall, whenever possible, recapture the entire amount of the City's indebtedness pursuant to the terms and conditions of the City Lien. Upon foreclosure by a superior mortgagee, the City may pursue any and all applicable legal remedies against the owner pursuant to the City's Lien.

Existing Mortgage Transactions

Upon a request by Developer/Landlord to refinance, satisfy and/or subordinate the City's Lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the indebtedness, along with a proportionate share of the net proceeds equivalent to the percentage of "Total Development Cost" contributed by the City is due upon sale or transfer of the property within the Affordability Period. "Total Development Cost" includes the City's investment plus

investments from other sources contributed toward the initial acquisition and rehabilitation of the unit. The City may subordinate its lien, provided the combined Loan-to-Value Ratio does not exceed ninety percent (90%). Generally, the City will not subordinate its lien to allow cash out, except to facilitate payment of home repairs, educational or medical expenses, subject to verification by City staff or Program Administrator. The Community Development Manager, or designee, is authorized to make any administrative decision concerning Refinance Requests and Subordination that does not conflict with applicable ILA requirements or other regulations, laws, or ordinances.

[Release of Lien](#)

The City Manager is authorized to execute and deliver Release of the City's Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to release a City Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The Developer/Landlord is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

[Assumption of Lien](#)

When a rental property acquired and/or rehabilitated with CCF funds transfers ownership other than through sale, the new owner may apply for an assumption of the City Lien and execute a new Personal Guarantee, or other appropriate security instrument, providing the new owner maintains the conditions of the Declaration of Restricted Covenants. Otherwise, the remainder of the City Lien shall immediately be due and payable. The Community Development Manager is authorized to negotiate payment schedules for persons who come into ownership of the subject property by inheritance, or a similar circumstance, when it is necessary to maintain or preserve housing affordability.

[Rent Restrictions](#)

[Rents](#)

The Developer/Landlord shall restrict both the rent and the occupancy of the assisted rental unit for the entirety of the Affordability Period, a minimum of 15 years. The income of the tenants and the gross rents must not exceed the Combined Income Limits and Rent Limits for the 80% of AMI Category for Broward County posted annually by the Florida Housing and Finance Corporation. Gross rent is rent charged by the Developer/Landlord, plus an

allowance for tenant-paid utilities, as contained within the most recent Hollywood Housing Authority Utility Allowance Schedule.

Lease

The tenant must execute a written lease for a term of not less than one year. The Lease shall not contain any of the following conditions:

1. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
2. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
3. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
6. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Lease Purchase Option

During the Affordability Period the Developer/Landlord may enter into a Lease/Purchase Agreement with a Tenant/Buyer. The Tenant/Buyer may be eligible for Purchase Assistance in accordance with Section IV B 4-7 of this document.

The conditions of Lease/Purchase are as follows:

1. The City shall recapture its investment upon closing on the sale of the property to the Tenant/Buyer; and
2. The Tenant/Buyer's household income shall not exceed 80% of AMI at time of purchase; and

3. The purchase price of the property shall not exceed the lesser of 90% of the most current average area purchase price for Broward County, as published by the Florida Housing Finance Corporation, or the appraised value of the property; and
4. Execution of a written Lease/Purchase agreement between the Developer/Landlord and the Tenant/Buyer that does not conflict with Florida Statutes and includes the following components, at a minimum:
 - a. Name and business address of Developer/Landlord
 - b. Name and personal or business address of Tenant.
 - c. The legal description and folio number of subject property.
 - d. The total amount of the initial payment, including advance payments, delivery charges and trade in amounts.
 - e. The amount of each rental payment to be paid and the due date.
 - f. An itemization of any additional charges not included in the rental payment.
 - g. The total amount the Tenant will end up paying for the purchase of the property under the agreement -- including the total of all rent payments, initial payments and any other fees or charges.
 - h. The extent of Tenants responsibility for loss or damage to the property other than normal wear and tear.
 - i. The Tenant's right to reinstate the agreement, if Tenant falls behind in payments, including disclosure of any penalties and other charges, and the method to be used for calculating any amount Tenant must pay to reinstate the agreement.
 - j. The party that is responsible for. maintaining or servicing the property during the term of the agreement, and a brief description of the extent of the responsibility.
 - k. When and under what circumstances the parties may terminate the agreement.
 - l. Options to complete the purchase during the term of the agreement and the price or method for calculating the price if the option to purchase is exercised.
 - m. A statement that any manufacturer's warranties in effect at the completion of the purchase will be transferred to the Tenant.
 - n. The actual cash price of the property, if purchased outright instead of buying via a Lease/Purchase agreement.
 - o. The Lease Term of the Lease/Purchase Agreement shall be no more than three years.

Acquisition With Rehabilitation- Multi-Unit Housing

Introduction

The Acquisition with Rehabilitation Multi-Unit Housing Program provides for the acquisition and rehabilitation of multi-unit residential units for future sale or rental to eligible beneficiaries. The program will provide opportunities for homeownership, affordable rental housing, and improve the quality and appearance of existing housing stock. The program

enables the city to leverage public and private funding to preserve and promote affordable housing. The program includes the activities described below.

1. Acquisition- Funding used to purchase properties within LMI areas, as designated in the ILA.
2. Rehabilitation- Funding used to pay for labor, materials, developer fees and other related costs incurred for complete rehabilitation and repair of residential units within the LMI Area defined in the ILA to a condition which is free of actual or potential hazards to the general health, safety and welfare of the occupant(s) and meets local building and housing codes.
3. Purchase Assistance - Funding used to provide closing costs, down payment, and other necessary purchase assistance to eligible households for the purchase of townhomes and condominiums that have been acquired and rehabilitated via the program described herein.

Contractor and Developer Selection

Contractor

Rehabilitation work shall be conducted using an approved pool of General or Residential Contractors selected through a competitive process and/or contractors operating in partnership with an Administrator or Developer engaged by the City. The City or its Administrator or Developer shall review and approve work write-ups (i.e., plans and specifications), prepare cost estimates and cause the rehabilitation work to be performed in accordance with the requirements of the program.

Developer

Developer must be a non-profit organization/entity exempt from federal income tax under section 501(c)(3) of Title 26 of the United States Code. First priority will be given to Developer proposals that include housing assistance for Veterans. Second Priority will be given to Developer proposals that include housing assistance for seniors. Procurement of Developer shall occur in one of the following ways: 1) via a competitive process that requires Developer to document their experience in providing affordable housing, proof of financial capacity, an executed contract for sale or other evidence of site control sufficient to prove ability to proceed promptly once funding is in place, and a housing unit design plan that meets the housing element requirements contained in the City's Comprehensive Plan; 2) via an unsolicited proposal process governed by Section 287.0512 of Florida Statutes and processed in accordance with Chapter 30 of the City of Hollywood Code of Ordinances; 3) as a Best Interest and Sole Source designation allowed in Chapter 38 of the City of Hollywood Code of Ordinances. The city at its option may act as "Developer" and carry out any all functions within this Acquisition with Rehabilitation - Multi-Unit Housing Program.

Source of Funding

Funding for the Acquisition with Rehabilitation (Multi- Unit) Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Acquisition with Rehabilitation Multi-Unit Housing Program meets the ILA objective of rehabilitating existing LMI Area residential property and preserving the affordability of homeownership units for a period of at least 10 years and the affordability of rental units for at least 15 years. Housing rehabilitation shall be conducted within the framework of the City's statutory regulations and applicable local policies and procedures.

Acquisition with Rehabilitation Multi-Unit Housing- Homeownership

Property Eligibility

- Townhomes and Condominiums. Subject properties may be part of a Community Land Trust, as defined in Florida Statutes, Section 193.018 (1). Mobil homes and co-operatives are not eligible.
- Eligible Townhomes - single-family dwelling units not exceeding three stories in height which are constructed in a series or group of attached units with property lines separating the units and otherwise eligible under Florida Statutes, Section 481.203(7).
- Eligible Condominiums - property created pursuant to Florida Statutes Chapter 718, which is comprised entirely of units that may be owned by one or more persons, and in which there is, appurtenant to each unit, an undivided share in common elements and is otherwise eligible under Florida Statutes Chapter 718.
- Subject property shall be located within the LMI Areas designated in the ILA.
- The property being acquired is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- Alternatively, the property shall be rehabilitated in conjunction with this program to meet HUD Housing Quality Standards, including correction of any unpermitted improvements. Prior to the commencement of any property acquisition or rehabilitation work under this program Developer shall submit, for written approval by City staff or program administrator, a detailed scope of work documenting the corrective actions necessary to meet HUD Housing Quality Standards.
- Subject property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted. The purchase price of the property being acquired shall not exceed the appraised value in its "AS IS" condition.

- The maximum amount of financial assistance, including acquisition cost, rehabilitation, and developer fees shall not exceed the lesser of \$500,000.00, or \$125,000.00 per unit.

Standards for Housing Rehabilitation

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has established a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Developer Financial Terms:

- Financial assistance will be provided in the form of a zero percent (0%) interest, deferred-payment loan to acquire and rehabilitate properties for future sale to eligible end-buyers.
- The selling price of the property to the end-buyer shall not exceed the lesser of 90% of the most current average area purchase price for Broward County, as published by the Florida Housing Finance Corporation, or the appraised value of the property.
- For projects involving multiple units, the City shall recapture the total amount of its investment when the sale of the final unit to an eligible end-buyer closes.
- Financial assistance will be provided to end-buyers only in the amount necessary to keep housing expenses affordable and to meet lender underwriting standards, closing costs and down payment expenses. The amount available to end-buyer will be based upon their ability to repay a mortgage issued by a private lender. End-buyer is required to spend at least 25%, but no more than 38%, of their gross income for housing expenses (mortgage principal and interest, property taxes, property insurance and Homeowner Association dues, if applicable). The end-buyer's total debt ratio (including housing costs) shall not exceed 45%. The maximum amount of financial assistance available to end-buyers is \$50,000.00.
- The end-buyer's first mortgage must be a fixed-rate conventional mortgage, master mortgage, bond, or governmental loan with no pre-payment penalty. Interest only, balloon, option, Adjustable-Rate Mortgages (ARMS) and subprime loans are ineligible. The maximum interest rate to be charged on the first mortgage will be set on the first business day of each month and may not exceed 2.0% over the

Fannie Mae 30-year, 60-day mandatory delivery rate. The interest rate cap is effective for the entire month.

- Failure on the Developer's part to rehabilitate subject property to meet HUD Housing Quality Standards and sell the property to an eligible end-buyer within one year from the date the Developer purchased the unit will be considered a default under the City's Mortgage and Promissory Note, and the City may pursue repayment and all other applicable legal remedies.
- Developer shall maintain subject property in accordance with all applicable codes, regulations, and statutes while the property is in Developer's possession. Developer shall maintain the property in order to prevent waste, impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the Developer's part shall be considered a default under the City's Mortgage and Promissory Note, and the City may pursue repayment and all other applicable legal remedies.

Homebuyer Eligibility

- The homebuyer shall meet applicable requirements regarding maximum household Income of not more than 120% of AMI, adjusted for family size
- There is no minimum income: however, the homebuyer must have sufficient income to service the debt and properly maintain the housing unit.
- Homebuyer shall participate in a pre-qualification review which includes the submission of all information and documentation necessary to establish eligibility for participation in the program.
- Homebuyer shall be a United States Citizen or legal resident, shall own and occupy the subject property as their primary residence, and shall comply with all terms and conditions of the program.
- The homebuyer must have the financial capacity to secure a loan from a private lender for a portion of the cost for the housing unit or have the financial capacity to become a resident shareholder within a senior cooperative unit. Financial assistance provided by the City will only be used to subsidize a private loan in order to decrease the buyer's monthly housing costs, to pay closing costs, and serve as a portion of the down payment or to subsidize the one-time share cost down payment to become a resident shareholder within a senior cooperative.
- Upon applying to participate in the Acquisition with Rehabilitation Multi-Family Housing Program, applicant must document proof of liquid assets on deposit of no less than 3% of the private loan amount.

Homebuyer Financial Terms:

- Financial assistance will be provided in the form of a Conditional Grant requiring the homebuyer to maintain the home as an affordable unit for a period of not less than 10 years. The 10-year Affordability Period shall be secured by a Declaration of Restrictive Covenants, City Lien, Personal Guarantee, or other acceptable form of security instrument(s).

- Level of Assistance: Financial assistance will be provided only in the amount required to keep housing expenses affordable and to meet lender underwriting standards, closing costs and down payment expenses. The amount available to homebuyer will be based upon their ability to repay a private lender loan. Applicant is required to spend at least 25%, but no more than 38%, of their gross income for housing expenses (mortgage principal and interest, property taxes, property insurance, and Homeowner Association dues if applicable). The total debt ratio (including housing costs) shall not exceed 45%. The maximum amount of financial assistance available to end-buyer is \$50,000.
- The amount of the City Lien due at the end of the Affordability
- Period, or at such time the beneficiary seeks satisfaction of the City Lien, shall reflect an annual reduction of 1/10th of the City's total investment.
- If the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means during the Affordability Period, the City Lien shall be immediately due and payable, with the amount due reflecting an annual reduction of 1/10th of the City's total investment beginning on the date the conditional grant was issued and ending on the date the status of the property changed. If the property is sold as part of a Community Land Trust transaction, the City Lien may be assumed by the new purchaser.
- The beneficiary shall maintain the property in accordance with all applicable codes and regulations in order to prevent waste, impairment or deterioration. Failure on the beneficiary's part shall be considered a default under the City's Lien, and the City may recapture its investment using the appropriate legal remedies.

Homebuyer Loan Security and Limitations

Beneficiary shall maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage in an amount sufficient to cover all loans against the property, with the City named as loss payee.

If the beneficiary defaults on a superior mortgage, the City shall, whenever possible, recapture the entire amount of the City's indebtedness pursuant to the terms and conditions of the City Lien. Upon foreclosure by the superior mortgagee, the City may pursue any and all applicable legal remedies against the beneficiary pursuant to the City's Lien.

Existing Mortgage Transactions

Upon the beneficiary's request to refinance, satisfy and/or subordinate the City's Lien, the following guidelines shall apply.

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the indebtedness is due upon rental, sale, or transfer of the property within the Affordability Period. The City may subordinate its lien, provided the combined Loan- to-Value Ratio does not exceed ninety

percent (90%). Generally, the City will not subordinate its lien to allow cash out, except to facilitate additional housing unit repairs, educational or medical expenses, subject to verification by City staff or Program Administrator. The Community Development Manager, or designee, is authorized to make any administrative decision concerning Refinance Requests and Subordination that does not conflict with applicable ILA requirements or other regulations, laws, or ordinances.

Release of Lien

The City Manager is authorized to execute and deliver Release of the City's Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to release a City Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The homebuyer is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

Assumption of Lien

When a property rehabilitated and purchased with CCF funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the City's Lien and execute a new Personal Guarantee, providing he/she occupies the home as their primary residence and qualifies under the program and income limits in place at the time of transfer of ownership. Otherwise, the City Lien shall immediately become due and payable. The Community Development Manager is authorized to negotiate a repayment schedule for persons who come into ownership of the subject property by inheritance, or similar circumstances, when necessary to maintain housing affordability.

Acquisition with Rehabilitation Multi-Family Housing- Rental Occupancy

Property Eligibility

- Property containing two or more units under a single folio or tax identification number. and townhomes (series of two or more units). Subject properties may be incorporated in a Community Land Trust. as defined in Florida Statutes. Section 193.018 (1). Mobil homes and co-operatives are not eligible.
- Subject property shall be located within the LMI Areas designated in the ILA.
- The property is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- Alternatively. the property shall be rehabilitated in conjunction with this program to meet HUD Housing Quality Standards, including correction of any unpermitted

improvements. Prior to the commencement of any property acquisition or rehabilitation work under this program, the Developer shall submit, for written approval by City staff or program administrator, a detailed scope of work documenting the corrective actions necessary to meet HUD Housing Quality Standards.

- Subject property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- The purchase price of the property to be acquired shall not exceed the appraised value in its "AS IS" condition.
- The maximum amount of financial assistance, including acquisition cost, rehabilitation, and developer fees shall not exceed the lesser of \$1,000,000.00 or \$125,000.00 per unit.

Standards for Housing Rehabilitation

- Florida Building Code, as amended from time to time.
- Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- City of Hollywood Housing Rehabilitation Specifications.
- City of Hollywood Landscape Manual.
- The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Developer/Landlord Financial Terms:

- Financial Assistance will be provided in the form of a zero percent interest (0%) loan with a term of 30 years to acquire and rehabilitate properties to produce affordable rental units for eligible beneficiaries.
- The Developer/Landlord shall maintain the property as an affordable housing unit for a period of 30 years, which shall be secured by Declaration of Restrictive Covenants.
- The City may declare the principal balance of the loan due in full at any time prior to the maturity date, if the Developer/Landlord defaults on any of the terms or conditions of the Declaration of Restrictive Covenants or the City Lien.
- Failure on the part of the Developer/Landlord to repair the property to meet HUD Housing Quality Standards and rent the property to an eligible beneficiary within one year from the date of acquisition will be considered a default under the City's Lien, and the City may pursue repayment and all other applicable legal remedies.
- Developer/Landlord shall maintain the property in accordance with all applicable codes and regulations. Developer/Landlord shall maintain the property in order to

prevent waste, impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the part of the Developer/Landlord shall be considered a default under the City's Lien wherein the City may pursue repayment and all other applicable legal remedies.

Developer/Landlord Security and Limitations

Developer/Landlord shall maintain fire, hazard, flood, and windstorm {where applicable} insurance coverage in an amount sufficient to cover all loans against the property, with the City named as loss payee.

If the Developer/Landlord defaults on a superior mortgage, the City shall recapture the entire amount of the City's indebtedness pursuant to the terms and conditions of the City Lien. Upon foreclosure by a superior mortgagee, the City may pursue any and all applicable legal remedies against the owner pursuant to the City's Lien.

Existing Mortgage Transactions

Upon a request by Developer/Landlord to refinance, satisfy and/or subordinate the City's Lien, the following guidelines shall apply:

Refinancing Requests and Subordination

Under the terms and conditions of the City's Lien, full payment of the indebtedness, along with a proportionate share of the net proceeds equivalent to the percentage of "Total Development Cost" contributed by the City is due upon sale or transfer of the property within the Affordability Period. "Total Development Cost" includes the City's investment plus investments from other sources contributed toward the initial acquisition and rehabilitation of the unit. The City may subordinate its lien, provided the combined Loan-to-Value Ratio does not exceed ninety percent (90%). Generally, the City will not subordinate its lien to allow cash out except to facilitate additional housing unit repairs, subject to verification by City staff or Program Administrator. The Community Development Manager, or designee, is authorized to make any administrative decision concerning Refinance Requests and Subordination that does not conflict with applicable ILA requirements or other regulations, laws, or ordinances.

Release of Lien

The City Manager is authorized to execute and deliver Release of the City's Lien upon the recommendation of the Community Development Manager and the City Attorney or their designee(s). All written satisfaction requests not associated with a default of a superior lien, or full payment of the City's Lien, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to release a City Lien should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of settlement of the City's Lien shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Release of Lien in Broward County Records. The

Developer/Landlord is responsible for paying all applicable recording fees of said Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood.

Assumption of Lien

When a rental property acquired and/or rehabilitated with CCF funds transfers ownership other than through sale, the new owner may apply for an assumption of the City Lien and execute a new Personal Guarantee, or other appropriate security instrument, providing the new owner maintains the conditions of the Declaration of Restricted Covenants. Otherwise, the remainder of the City Lien shall immediately be due and payable. The Community Development Manager is authorized to negotiate payment schedules for persons who come into ownership of the subject property by inheritance, or a similar circumstance, when it is necessary to maintain or preserve housing affordability.

Rent Restrictions

Rents

The Developer/Landlord shall restrict both the rent and the occupancy of the assisted rental unit for the entirety of the Affordability Period, a minimum of 30 years. The income of the tenants and the gross rents must not exceed the Combined Income Limits and Rent Limits for the 80% of AMI Category for Broward County posted annually by the Florida Housing and Finance Corporation. Gross rent is rent charged by the Developer/Landlord, plus an allowance for tenant-paid utilities, as contained within the most recent Hollywood Housing Authority Utility Allowance Schedule.

Lease

The tenant must execute a written lease for a term of not less than one year. The Lease shall not contain any of the following conditions:

- Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease:
- Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law:
- Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent:
- Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties:

- Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury:
- Waiver of right to appeal court decision. Agreement by the
- tenant to waive the tenant's right to appeal. or to otherwise challenge in court, a court decision in connection with the lease; and
- Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Rent Assistance for Essential Employees

Introduction

An objective of the ILA is to offer financial assistance to low- and moderate-income households to make housing affordable. The Rent Assistance for Essential Employees Program provides temporary rental assistance for Essential Employees, as defined herein, who reside in Hollywood, thereby preserving housing affordability.

Administrator Selection

Program Administrator may be selected in one of the following ways: 1) via a competitive process that requires Administrator to document their experience in administering rent assistance programs or providing rental assistance, and prove financial capacity sufficient to administer the program; 2) via an unsolicited proposal process governed by Section 287.0512 of Florida Statutes and processed in accordance with Chapter 30 of the City of Hollywood Code of Ordinances; 3) as a Best Interest and Sole Source designation allowed in Chapter 38 of the City of Hollywood Code of Ordinances.

Source of Funding

Funding for the Essential Employee Rent Assistance Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Essential Employee Rent Assistance Program meets the ILA objective of providing an affordable housing program that is wholly located within the LMI Areas designated in the ILA.

Tenant Eligibility

Applicant Tenant(s) shall meet applicable requirements regarding maximum household income of not more than 100% of AMI, adjusted for family size. Applicant must be currently employed as an Essential Employee, as described in Section IV (C).

Essential Employees

Essential Employees include persons employed by Broward County, City of Hollywood, City of Hollywood Community Redevelopment Agency, Hollywood Housing Authority, primary- and secondary-level educators, health care workers, and childcare workers.

Property Eligibility

- Detached, single family homes, townhomes, condominiums, and multi- family units are eligible property types. Mobile homes are not eligible.
- Subject property must be located within the LMI Areas designated in the ILA.
- The property is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- The property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
- Rents must not exceed HUD Fair Market Rents (FMRs).
- The beneficiary must execute a written lease for a term of not less than one year. The lease shall not contain any of the following conditions:
 - Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties
 - Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs *even* if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Financial Terms

Financial assistance will be provided in the form of a Rent Subsidy Grant in an amount sufficient to *cover* first and last month's rent. Additionally, beneficiary is eligible for a monthly Rent Subsidy Grant in an amount sufficient to reduce the beneficiary's cost of housing (rent and utilities) to an amount that does not exceed 30% of their household income. The Rent Subsidy Grant shall be paid directly to the landlord. Financial assistance will be provided to coincide with the term of a one-year lease. Prior to the expiration of the lease, the beneficiary may apply for renewal of rent subsidy for an additional one-year period, providing the beneficiary still qualifies for the program and the terms and conditions of the new lease meet program requirements. Beneficiaries are eligible for rent assistance for a maximum of 24 months per household.

A new participant that is currently in a lease for housing where the participant desires to remain must execute a new one-year lease meeting the terms and conditions of this policy. The beneficiary is eligible for a Rent Subsidy Grant in accordance with this policy.

Relocation Assistance For Employees Of Target Industry Businesses

Introduction

An objective of the ILA is to offer financial assistance to low- and moderate-income households to make housing affordable. The Relocation Assistance for Employees of Target Industry Businesses Program is available for use by the City as an incentive to retain and recruit Target Industry Businesses by providing financial assistance to aid in relocation of certain new employees of these businesses.

Source of Funding

Funding for the Relocation Assistance for Employees of Target Businesses Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Relocation Assistance for Target Industry Businesses Program meets the ILA objective of providing an affordable housing program that is wholly located within the LMI Areas designated in the ILA.

Business Eligibility

Target Industries include the following:

- Healthcare/Life Sciences
- Aerospace/ Aviation
- Professional Services
- Information Technology
- Marine
- Any industry designated as a "Target industry business" under the State of Florida's Qualified Target Industry ("QTI") program, Section 288.106(1) of Florida Statutes.

The Hollywood City Commission may, at its discretion, waive the eligible industry requirement upon the recommendation of staff.

A "Target Industry Business" is a business that is engaged in a Target Industry that the City has determined to provide needed employment, goods, or services within the city. All applicants are evaluated on an individual basis and therefore operating in a Target Industry does not guarantee eligibility.

Employee Eligibility

Employees eligible for assistance are those persons: 1) relocating from outside of Hollywood to an LMI Area designated in the ILA; and 2) employed by a Target Industry Business (or a business that the City Commission has deemed eligible) in a position that pays a living wage in accordance with the Broward County Living Wage Calculator and whose household income does not exceed 120% of AMI, adjusted for family size.

Property Eligibility

- Detached, single family homes, townhomes, condominiums, and multi-family units are eligible property types. Mobile homes are not eligible.
- Subject property must be located within the LMI Areas designated in the ILA.
- The property is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- The property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.

Financial Terms

- Financial assistance will be provided in the form of a Rent Subsidy Grant in an amount sufficient to cover first and last month's rent, not to exceed a total investment of \$5,000 per eligible employee.
- Financial assistance will be provided to the employee through the employer upon receipt by the City of a qualified application, along with documentation of the amount of the first and last month's rent.
- Payment will be processed in accordance with the City's vendor payment policy.

Police Officer Next Door Rent Assistance Program

Introduction

An objective of the ILA is to offer financial assistance to low- and moderate-income households to make housing affordable. The Police Officer Next Door Rent Assistance Program provides temporary rental assistance for sworn Police Officers who reside in select locations within LMI Areas designated in the ILA.

Source of Funding

Funding for the Officer Next Door Rent Assistance Program is provided by "County Contribution Funds" (CCF) derived from the Interlocal Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing.

Eligibility Criteria

Program Eligibility

The Police Officer Next Door Rent Assistance Program meets the ILA objective of providing an affordable housing program that is wholly located within the LMI Areas designated in the ILA.

Tenant Eligibility

Tenant(s) must meet applicable requirements regarding maximum household income of not more than 120% of AMI, adjusted for family size. Tenant must be a sworn Police Officer currently employed by the City of Hollywood who has been issued a marked, take-home police vehicle during the term of the assistance.

Property Eligibility

- Detached, single family homes, townhomes, condominiums, and multi- family rental properties containing two or more units are eligible property types. Mobile homes are not eligible.
- Subject property must be in a location, approved by City staff, where: a) the site configuration allows unobstructed view of a marked police vehicle from the public right-of-way; and b) staff can identify benefits for the surrounding community based on the presence of a marked police vehicle being parked at the property.
- The property is subject to inspection to ensure that it is in good condition, meets HUD Housing Quality Standards and has no unpermitted improvements.
- The property shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.

- Rents must not exceed HUD Fair Market Rents (FMRs).
- The beneficiary must execute a written lease for a term of not less than one year. The lease shall not contain any of the following conditions:
 - Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Financial Terms

Financial assistance will be provided in the form of a Rent Subsidy Grant in an amount sufficient to cover first and last month's rent. Additionally, beneficiary is eligible for a monthly Rent Subsidy Grant in an amount of 50% of monthly rent. The Rent Subsidy Grant shall be paid directly to the landlord. Financial assistance will be provided to coincide with the term of a one-year lease. The beneficiary may apply for renewal of rent subsidy for an additional one-year period, providing the beneficiary still qualifies for the program and the terms and conditions of the new lease meet program requirements. Beneficiaries are eligible for rental assistance for a maximum of 24 months per household.

Work Skills Training Scholarship Program

Introduction

The City of Hollywood's mission is to make the City a secure, clean, and desirable place to live, work, learn, and visit by providing a continually improving wide range of City services; to encourage a community that retains and promotes employment opportunities, economic growth, and improved quality of life, where people of diverse cultural backgrounds and incomes peacefully interrelate.

The City acknowledges that there is a need to embrace traditional and non-traditional job readiness training programs as a method to generate the type of talent required necessary to fuel employment. The City is committed to reducing unemployment and assuring that training and education opportunities are made available to residents in low- and moderate-income (LMI) areas.

An objective of the Interlocal Agreement (ILA) among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency is to provide access to work skills programs that enable residents to gain new skills that could assist in obtaining employment and apprenticeship opportunities. The Work Skills Training Scholarship Program is available for applicable residents and managed by the Office of Communications, Marketing, and Economic Development. The program provides funding for:

1. Work Skills Training Programs and associated costs; and
2. Licenses, certifications, and/or jobs skills training that aid in career advancement.

The City's continued commitment to reducing unemployment and exposing its residents to training, vocational, and support skills programming for developing career paths and creating better quality of life for themselves and their families. The City's plan is to work with its community partners and appropriate industry professionals to facilitate these programs for residents.

Work Skills Program Partners

The Work Skills Training Programs will be administered through the City's preferred provider training partners. The City shall enter into Memorandums of Understandings with each training partner which will outline the specific programs, associated costs, and terms and conditions. The City Manager is authorized to execute such Memorandums on the City's behalf. The Scholarships for the residents will not exceed \$5,000 per pupil annually and payment will be provided directly to, or on behalf of the pre-approved pupil. The Director, of the Office of Communications Marketing and Economic Development or his/her designee reserves the right to identify and/or replace preferred partners when necessary to accomplish program goals.

Source of Funding

Funding for the Work Skills Training Scholarship Program is provided by "County Contribution Funds" (CCF) derived from the ILA and will provide scholarship grants for applicants who reside in LMI areas defined by the ILA.

Eligibility Criteria

Program Eligibility

The Work Skills Training Scholarship Program meets the ILA objective of providing work skills within the LMI Areas designated in the ILA.

Applicant Eligibility

- Applicant shall reside within the LMI Areas defined in the ILA.
- Applicant shall be a United States Citizen or legal resident and shall comply with all program terms and conditions.
- Applicant shall meet the pre-requisite requirements necessary to enroll in a City preferred provider training partner work life or vocational program or other work skills training program

Financial Terms

- Financial assistance will be provided in the form of a Work Skills Training Scholarship Program Grant in an amount not to exceed \$5,000 annually to assist in entering training programs and/or institutions as approved by the City's Office of Communications, Marketing, and Economic Development.
- A pupil may attend multiple approved programs.
- Financial assistance will be provided to the applicant upon receipt by the City of proof of eligible costs as outlined and determined in the training partner MOUs.
- Payment will be processed in accordance with the City's vendor payment policy.
- Applicant and Partner Organization will execute a contract outlining the program, associated costs, and all necessary supporting documentation for enrollment and payment processing.

Other City Policies

Green Building Practices

The City of Hollywood has created a Green Team Advisory Committee to make recommendations to the City Commission to develop target environmental goals and implementation plans. Based upon certain recommendations from the Committee, the City Commission passed and adopted mandatory Green Building Practices for new construction and major renovations. Any and all new construction and major renovations funded under the Programs set forth in these policies, shall comply with the requirements set forth in any applicable rules, regulations or ordinances relating to these Green Building Practices.

Foreclosure Mitigation and Resource Referral Services

To further enhance the City's Community Development Programs and protect the City's interests, the Community Development Division has taken steps to mitigate foreclosures by providing resource referral services to assist homeowners that were recipients of City funding under its Community Development Programs.

General Project Requirements Applicable to All Community Development Programs Set Forth in These Housing Policies.

Sources and Uses of the Funds Statement

All applicants are required to submit a Sources and Uses of Funds Statement for their project. This statement shall be consistent with the project development budget as set forth below and shall include the following:

- All proposed sources of funds (including public and private) and the dollar amount for each source. The application shall include documentation of such funding from all fund sources which may be in the form of a commitment letter.
- All uses funds, including but not limited to acquisition costs, rehabilitation or construction costs, financing costs, and professional fees that are required for the project.

The City will identify the types of documentation necessary to verify the sources and uses of funds indicated in the statement. The listing documentation will be provided to the applicant(s) so that the documentation may be submitted along with the Sources and Uses of the Funds Statement application packet for HOME funds.

The applicant shall also provide supporting documentation for all other costs as specified in the Sources and Uses of Funds Statement. If the documentation is not adequate and does not support the costs as stated, the City may request additional documentation, a second opinion and/or reference from the appropriate source (i.e. – another construction cost estimator, another architect or lawyer), or deny the project HOME funding. It should be noted that for projects with tax credits to be sold, the proceeds from the sale of these credits shall be identified as a source of funding.

Sources of Funds

Upon request from the City, Applicants may be required to provide the following documentation:

- Commitment letters with terms and conditions for all mortgages, grants, subordination agreements, bridge (interim) loans and investment tax credits (historical, low-income, if applicable); and
- If the applicant is a partnership, a copy of the partnership agreement, which will indicate the cash contributions by the general partner(s) and/or limited partner(s).

Uses of Funds.

Upon request from the City, applicants may be required to provide the following documentation for determination of viability to receive and utilize the respective Community Development Program funding.

- Earnest money agreement, option or closing statement for land and/or building(s);
- Construction cost estimate;
- Construction contract or preliminary bid(s);
- Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions);
- Appraisal (to substantiate the value of the land and the value of the property after rehabilitation or the structure being built); or
- If low-income housing tax credits are utilized, documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individual who will syndicate and oversee the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions in the offering should be verified in the supporting documentation.

The applicant shall also provide supporting documentation for all other costs as specified in the Sources and Uses of Funds Statement. If the documentation is not adequate and does not support the costs as stated, the City may request additional documentation, a second opinion and/or reference from the appropriate source (i.e. – another construction cost estimator, another architect or lawyer), or deny the project HOME funding. It should be noted that for projects with tax credits to be sold, the proceeds from the sale of these credits shall be identified as a source of funding.

Project Development Budget

In addition to the Sources and Uses Funds Statement, applicants are required to submit a Project Development Budget. The budget should categorize cost in a manner consistent with the Sources and Uses Funds Statement and be presented in such a manner that the City can easily refer back to the Statement to determine the source of funding to be used for all costs. The budget shall include all costs associated with the project, regardless of the funding source. The budget line items may include but are not limited to: construction "hard" costs, soft costs (such as

architectural, engineering, legal and appraisal fees), marketing costs, construction loan interest, developer fees, real estate taxes, insurance, all loan fees, building permits, relocation and commercial fees. The Project Development Budget shall reflect the total cost as set forth in the Uses section of the Sources and Uses of Funds Statement.

If the Project is a HOME Funding Project, the City will review the Project Development Budget to ensure that the costs being funded by the HOME program are eligible and the HOME funds per unit do not exceed the maximum per-unit subsidy limit.

In reviewing the Project Development Budget, the City will focus on the quality of the end product, construction costs, architectural and engineering fees, and consulting fees. The City will determine the costs that are customary and necessary depending upon the type of development activity. (For example, it may consider the demands of new construction as opposed to rehabilitation and senior housing as opposed to housing for large families). The City will determine whether these costs are reasonable and whether they meet the applicable federal or state requirements. The City's determination of "reasonableness" and meeting the applicable federal or state requirements shall be based on all of the following factors:

- Costs of comparable projects in the State of Florida;
- The qualification of the cost estimators for the various budget line items; and
- Comparable costs as published by recognized industry cost index services.

Rate Of Return On Equity Investment

Pro Forma

The applicant shall furnish a Pro Forma (project income and expense statement) which shall include, at a minimum, achievable rent levels, market vacancies and operating expenses. It shall also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project's cash flow in order for City staff to determine the reasonableness of the rate of return on equity investment. The Pro Forma shall represent the term of the HOME affordability requirements or the term of other affordability requirements as mandated by other funding sources if longer. The Pro Forma shall not exceed the anticipated useful life of the facility. In general, adequacy of the Pro Forma shall be evaluated on the basis of industry standards as identified by HUD.

The City will review the Pro Forma to ensure that cash flow projections are reasonable in light of present economic conditions and are neither unduly conservative nor overly optimistic. Further, the Pro Forma will be reviewed to determine that the projected rates of return are reasonable, and that the applicant(s) will not receive excessive profit or windfalls from the project. An excessive profit/gain shall not be derived from the project, in part due to the financing method (low-income housing tax credits, low-interest loans, tax abatements, etc.). Specific standards for reasonable rates of return on the invested equity based on the project specifications shall be established by the City.

Single-Family Rental Housing (1-4 units)

The requirements outlined in Paragraph 1 above pertain to single-family housing of 1-4 units, as well as multi-family rental housing (for example: income/expenses, cash on cash and net operating analysis). Before applying these requirements, two factors shall be considered by the City: (1) whether the rental project is owner-occupied; and (2) whether the owner-occupied unit is being rehabilitated with federal funds.

If both of these factors apply to the project, then the rental income for the owner's units (had the project not been owner-occupied) shall be excluded from the income analysis of the Pro Forma. For example: in a four-unit, owner-occupied project, only the expected income of the three rental units included in the income analysis. Similarly, expenses associated with the rehabilitated owner's units shall also be excluded from the Pro Forma. The exclusion of income and expense of the owner's unit not only affects the operating income and cash analysis, but also influences the results of the Pro Forma.

Anti-Predatory Lending Policy

Purpose

The City of Hollywood's Community Development Programs Policies direct available Federal and/or State grant sources leveraged by local funding to eligible applicants and projects which will stimulate reinvestment of private capital. This occurs by utilizing the funds-for down payment and closing cost assistance to assist the eligible applicants in obtaining new first mortgages obtained from private lenders. 24 CFR_Section 92.254(f) requires the City to have and follow written policies addressing predatory lending. The City shall have a policy to protect against predatory lending. Moreover, the City supports the expansion of affordable and equitable homeownership and recognizes that predatory lending practices are inconsistent with advancing homeownership.

Recent rulemaking by the Consumer Financial Protection Bureau (CFPB) resulted in guidelines setting forth how federal agencies that insure or guarantee mortgages evaluate a buyer's ability to repay the mortgage. These guidelines are not specific to low-income borrowers and their ability to sustain a mortgage. HUD will issue guidance on preventing predatory lending that explains the CFPB ability-to-pay principals and will suggest additional considerations that are appropriate in an anti-predatory lending policy applicable to low-income homebuyers. The City has developed this Anti-Predatory Lending Policy to serve the purpose of guarding against predatory lending until additional guidance is available.

Policy

The City will not provide assistance to a project that includes a residential mortgage loan ("Mortgage Loan") that does not comply with all applicable federal, state and local predatory lending laws and other laws designed to prevent unfair or abusive lending practices (collectively, "Anti-Predatory Lending Laws").

Further, the City will not provide assistance to a project that includes a Mortgage Loan which involves any of the following practices or characteristics:

- Requiring the borrower to obtain prepaid, single-premium credit life, credit disability, credit unemployment, or other similar credit insurance as a condition of the loan;
- Including in loan documents a mandatory arbitration provision with respect to dispute resolution;
- Charging prepayment penalties for paying off a loan;
- Lending without regard to a borrower's ability to make payments on the mortgage;
- Loans which violate the Home Ownership and Equity Protection Act of 1994 and its implementing regulations (collectively, "HOEPA Requirements") or other Anti-Predatory Lending Laws;
- Loans that are ineligible for inclusion in a structured finance transaction due to a rating agency's determination that it cannot rate a transaction which includes such loans;
- Loans where the terms of, or practices in connection with, such loans do not comply with the provisions of Regulation Z (12 C.F.R. Part 226) relating to Higher-priced Mortgage Loans;
- Loans that fail to comply with any requirement of the Mortgage Partnership Finance Program relating to predatory lending, including without limitation, Section 2.6 of the Mortgage Partnership Finance Program Origination Guide.

Safeguards

To ensure a borrower's ability to pay the first mortgage, the City shall require borrowers to qualify for a first mortgage through a regulated financial institution. The types of loans that are eligible include Fannie Mae, Freddie Mac, FHA, Conventional, portfolio loans or loans provided through Habitat for Humanity.

When Habitat for Humanity is the first mortgage lender, no fees shall be charged to the borrower that constitutes an administrative expense (i.e. application fees). The requirements of the program shall be set forth in a written agreement between the City and the borrower, and the City shall inspect the property for compliance with the property standards set forth in 24 CFR Section 92.251.

All borrowers are required to attend a HUD-approved homebuyer class.

To reduce financial risk to borrower during the affordability period assistance will be provided in the form of a deferred-payment loan with recapture provisions.

The borrower shall submit an application that provides information of total household income and assets.

City staff shall require third-party verification of employment and in the absence of verification of employment shall require the submission of no less than two (2) years of tax returns with W-2, no less than two (2) months of pay stubs, and other income and assets information for all household members. This information will be used to determine the total annual gross household income. The information provided by the borrower related to debt will also be used to determine the borrower's ability to afford the monthly payments, including PITI and any homeowner association fees.

Non-occupying co-borrowers are not permitted to ensure that the borrower can afford monthly debt secured by the first mortgage.

The City shall conduct a preliminary review of the borrower's ability to pay through the use of an income calculator. The calculator estimates the borrower's capacity to make monthly mortgage payments based on an affordable loan amount and determines the maximum subsidy needed by the borrower to purchase the property.

All loans to the borrower by the first mortgage lender shall be fixed rate loans. The front- and back-end ratios for borrowers shall not exceed the ratios published by the Consumer Financial Protection Bureau.

All borrowers are required to contribute no less than 3% of the loan commitment amount towards the purchase of the property, in addition to any requirements for contributions and reserves that may be imposed by the first mortgage lender. For loans issued by Habitat for Humanity as the first mortgage lender, the borrower's contribution may be in the form of sweat equity.

A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. The homesteaded principal residence shall not be included in the calculation of non-retirement assets.

If other funding sources contribute to the purchase of the property, the City will reduce its assistance to ensure that no more funds than necessary are provided to close the loan.

Only single-family homes, condominiums, and townhomes are eligible.

The appraised value shall be equal to or greater than the purchase price.

To prevent predatory lending practices against borrowers, the City will require the first mortgage lender to be a regulated financial institution for the first mortgage loan amount. No seller financing is allowed. The first mortgage shall not be less than \$50,000.00.

All loans shall have a fixed rate (no Balloon or ARM), with no prepayment penalty or origination fees that are in excess of the established cap, as published by the Broward County Housing Finance Division.

The annual percentage rate of the primary financing cannot exceed the uniform fixed interest rate of the customary rate for FNMA/FHMLC/Portfortio/FHA/Bond.

The front- and back-end ratios for borrowers shall not exceed the ratios published by the Consumer Financial Protection Bureau.

- Total “Administrative” fees shall be reasonable, and customary based on applicable City of Hollywood processes and procedures.
- Maximum loan term of thirty (30) years.
- No yield spread premiums allowed.
- Property taxes and hazard insurance shall be escrowed.
- Lenders may finance up to 97% of the purchase price.
- No pre-payment penalty is permitted.
- Cash back at closing is not permitted.

Under the terms and conditions of the City’s Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of execution of the Promissory Note and Mortgage. However, thirty (30) days prior to the maturity date the mortgagee shall offer the mortgagor a refinancing option, pursuant to the same terms and conditions, so long as mortgagor has not defaulted on any terms or conditions set forth in the Mortgage. At maturity mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be due, in full, at any time prior to the maturity date in the event that mortgagor defaults on any term of the Mortgage, including the house is sold, rented, ceases to be the primary residence of the buyer, transferred or conveyed or by any other means of title transference. The City may subordinate its mortgage when a new mortgage is required to restructure the debt. Subordination is subject to the following conditions, as applicable:

- A request associated with the thirty (30) year maturity date refinance option offered by the City.
- The City’s mortgage position remains the same or improves.
- The dollar amount of the new debt is no greater than the pre-existing debt, plus reasonable and customary closing costs at no point to exceed seven percent (7%), unless the City’s loan is paid off.
- The borrower cannot take cash out.
- Partial payoff of the City’s loan may be considered. In this situation, the remaining debt to the City may be subordinated.
- In cases of Loan Modification where the City’s mortgage is superior, and subordination is the only option to modify terms under standard hardship circumstances to avoid foreclosure.
- The Community Development Manager, or his/her designee, is authorized to make any management decisions which are not in conflict with Federal or State requirements. The Manager or designee may consider requests for subordination of the City’s mortgage interest subject to the above conditions and execution of all applicable documents.

Conflict of Interest

No person who is an employee, agent, board member, consultant, officer, elected or appointed official of a sub-grantee who exercises or has exercised any responsibilities with respect to administering Federal or State funded activities or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a direct or indirect personal or financial interest or benefit from the activity.

No person listed above shall have an interest in any contract, subcontract, or agreement of the sub-grantee or its proceeds. This applies to the persons' themselves, their families, dependents, or business associates during that person's tenure.

Sub-grantees are to maintain a written code of conduct or standards relative to conflict of interest governing the performance of officers, employees, and/or agents engaged in the programmatic, administrative, or financial aspects of the funding agreement. This written code shall include disciplinary actions to be applied for violation of such standards by the sub-grantee's officers, employees, or agents.

Sub-grantees must be vigilant not only to avoid any conflict of interest, but the appearance of conflict of interest. The perception by the public that an unfair advantage has been gained from the use of public funds reflects poorly on the sub-grantee and the County and could jeopardize the sub-grantee's funding. Any possible conflict of interest of any party shall be disclosed in writing immediately upon knowledge of such possible conflict and forwarded to the City.

Right of Appeal

In situations where a program participant is dissatisfied with a decision or determination made by the City of Hollywood staff, the participant may appeal to the Assistant City Manager, or his/her designee. This request shall be made in writing. The Assistant City Manager, or his/her designee shall have final administrative authority to settle any dispute involving staff and the program participants within the confines of the statutory limits imposed by the granting agency.

Waivers

Any waiving of federal or state regulations or statutes shall be obtained from the appropriate granting agency. Local policies which are not federal, or state requirements may be waived by the Hollywood City Commission.

Loan Security and Limitations

Subordination Requests

Under the existing terms and conditions of the City's Promissory Note and Mortgage, full payment of the indebtedness is due on the maturity date or upon rental, sale, or transfer of the property. However, the City may allow subordination of its loan in situations where a new

mortgage is required to restructure the debt to improve the home's affordability. The City may subordinate subject to the following conditions, as applicable:

1. A request associated with the thirty (30) year maturity date refinance option offered by the City.
2. The City's mortgage position remains the same or improves.
3. The dollar amount of the new debt shall be no greater than the pre-existing debt, plus reasonable and customary closing costs at no point to exceed seven percent (7%), unless the City's loan is paid off.
4. The borrower cannot take cash out.
5. Partial payoff of the City's loan may be considered. In this situation, the remaining debt to the City may be subordinated.
6. In cases of Loan Modification where the City's mortgage is superior, and subordination is the only option to modify terms under standard hardship circumstances to avoid foreclosure.
7. The Community Development Manager, or his/her designee, is authorized to make any management decision which does not conflict with applicable federal or state regulations. The Manager or designee may consider requests for subordination of the City's mortgage interest subject to the above conditions and execution of all applicable documents.

Satisfaction of Mortgages

The City Manager is authorized to execute and deliver all satisfactions of mortgage after review by the Community Development Manager and approval by the City Attorney or his/her designee. All written satisfaction requests not associated with a default of a superior mortgage, or full payment of the City's loan, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to satisfy a City Mortgage should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Mortgage (lien interest) shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will send each Satisfaction of Mortgage or Release of Lien to Broward County for recording. The property owner is responsible for paying all applicable recording costs of said Satisfaction of Mortgage or Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check shall be made payable to the City of Hollywood.

Housing Program Procedures

Housing Rehabilitation

Introduction

The City of Hollywood's locally adopted Consolidated Plan (as originally adopted pursuant to Resolution No. R-2019-221, and as amended from time to time), has identified preservation of the City's housing stock as a priority. Preservation of housing stock through the rehabilitation of owner-occupied dwellings is a major community need throughout the City. An appropriate community development objective is to offer assistance to low- and moderate- income households in order to improve their housing to at least the minimum property standards as set forth in 24 CFR Section 92.251(b), assist with structural and system repairs and provide loans for housing replacement, when appropriate. These types of assistance serve a public purpose by improving the quality and stability of Hollywood's neighborhoods and enhancing the City's tax base.

In addition, the City entered into an Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing approved by the Hollywood City Commission on October 3, 2018, pursuant to Resolution No. R-2018-324. "County Contribution Funds" that result from the Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency. County Contribution Funds may be committed to Housing Rehabilitation singularly or in a coordinated effort with private lending, and/or Federal and State funding where appropriate and compliant with funding regulations and the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Authority

Local governments are authorized both by the U.S. Department of Housing and Urban Development (HUD) and the State of Florida's Housing Finance Corporation to administer the general activity of housing rehabilitation. Federal and State programs may be used to finance rehabilitation of privately-owned dwellings through use of grants, loans, loan guarantees, and interest subsidies in conjunction with private lending institutions and County Contribution Funds where appropriate.

Standards

County Contribution Funds are limited to repairs as permitted in the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time. State Housing Initiatives Partnership Program funds and Community Development Block Grant Funds may be used to stabilize property and

conduct specific isolated repairs. In all other cases, the minimum standards for housing rehabilitation are:

1. Florida Building Code, as amended from time to time.
2. Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
3. Department of Housing and Urban Development Property Standards (24 CFR Section 92.251), as amended from time to time.
4. City of Hollywood Housing Rehabilitation Specifications.

Contractor Selection

Projects funded by Community Development Block Grant, Home Investment Partnerships Program, and State Housing Initiatives Partnership Program, shall be conducted using an approved list of Contractors selected through a competitive bidding process. Contractors selected for projects funded by County Contribution Funds and other non-federal or state sources shall be selected through a competitive bidding process.

Source of Funding

Funding sources for housing rehabilitation programs offered by the City of Hollywood include City, County, Federal, State, and private lender participants. Potential Federal sources include the Community Development Block Grant (CDBG), the Home Investment Partnerships Program (HOME), and federally funded one-time or disaster assistance programs. State sources include the State Housing Initiatives Partnership Program (SHIP) and state funded one-time or disaster assistance programs. City and county funding may be provided by the Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing approved by the Hollywood City Commission on October 3, 2018, pursuant to Resolution No. R-2018-324. Private funding may be provided through competitive grant programs, partnerships with participating lenders and other community partners.

Eligibility Criteria – Owner-Occupied Dwelling

Program Eligibility

Housing rehabilitation shall be conducted within the framework of the granting agency's statutory regulations as well as applicable local policies and procedures. All funds used to administer these programs are permitted to benefit very-low-, low-, or moderate- income households including the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME final Rule. Certain programs may require further income or geographic restrictions. All regulatory reviews will be conducted in accordance with applicable federal, state, and local requirements. These include, but are not limited to,

certifications for environmental quality, fair housing, and drug-free workplace. In accordance with 24 CFR Section 92.251(b) (2), the City shall review and approve work write-ups (i.e., plans and specifications) and written cost estimates.

Applicant Eligibility

1. Applicant(s) shall meet the applicable income eligibility requirements, as established by federal and/or state guidelines as follows:
 - For HUD-funded **CDBG** and **HOME** programs the maximum household income level is 80% of Area Median Income (AMI), adjusted for family size; for HUD-funded **NSP** programs the maximum household income is 120% of AMI, adjusted for family size.
 - For **SHIP** programs, the maximum household income level is 140% of AMI, adjusted for family size. However, the City of Hollywood's Housing Rehabilitation Programs will limit participation to households at or below 120% of AMI where funding is available.
 - For **CCF** projects the maximum household income level is 120% of AMI, adjusted for family size. However, CCF funds are geographically limited to the LMI area as defined in the Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing approved by the Hollywood City Commission on October 3, 2018, pursuant to Resolution No. R-2018-324 as amended from time to time
2. All Loan Program Applicants shall participate in a pre-qualification review which includes the submission of all documents necessary to establish eligibility and participate in the program.
3. Applicant(s) shall not be anticipating nor involved in any bankruptcy or foreclosure action during any stage of the process.
4. Applicant(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 U.S.C. and 24 CFR Section 570.613, shall own and occupy the property, and shall comply with all program terms and conditions, including but not limited to rent restrictions.
4. Applicant(s) shall be current on all secured mortgage(s), all applicable insurance policies, and property taxes at the time of application.

Property Eligibility

1. Single-family homes and condominium units, including common areas are eligible properties. Mobile homes, multiple dwelling units and co-operatives are not eligible.
2. The property in need of repair shall be located within the corporate limits of the City of Hollywood.
3. Eligible properties shall have been granted Homestead Exemption from the Broward County Property Appraisers Office or the owner shall have applied for exemption.
4. The property shall conform to City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
5. The maximum loan amount per household for eligible repair items shall not exceed \$120,000, unless the repairs are necessary to correct existing code deficiencies or code violations, as set

forth in the Hollywood Code of Ordinances and/or Federal Minimum Property Standards as set forth in 24 CFR Part 92.251; or to cure a verified overcrowding condition. Construction costs shall not exceed 60% of the assessed value of the primary structure, subject to applicable Florida Building Code regulations and FEMA standards. The loan amount shall be based upon the aggregated total of all outstanding City of Hollywood housing loans for the subject property with the exception of CCF contributed to the project. CCF is limited to the dollar amount allowable by the Policies Governing Programs Supported By the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

6. The post-rehabilitation value shall be determined by an appraisal prepared by a licensed professional appraiser or the City's staff appraiser. The post-rehabilitation appraised value shall not exceed the limit (if any) established by the applicable funding source.
7. All non-conforming or un-permitted improvements to primary structures shall be corrected in conjunction with the project. .
8. If any eligible repair item is deemed necessary to mitigate against an imminent threat to the health, safety, or welfare of the public or the occupant or the property, application shall be prioritized and shall supersede existing rehabilitation projects/applications.
9. Required insurance coverages shall be current at the time of application and maintained throughout the life of the loan. If insurance coverage is not maintained, the City may either force place insurance or deem the borrower in default of the mortgage and pursue any and all legal remedies pursuant to the terms and conditions of the mortgage and/or Promissory Note to recover on the Applicant's indebtedness.

Use of HOME funds

Financing Terms Will Be Based Upon:

1. Homeowners whose total household income falls at/or below 120% of the AMI are eligible for a zero percent (0%) interest, deferred payment loan.
2. Homeowners shall maintain the property in accordance with all applicable codes and regulations. The homeowner shall maintain the property in order to prevent waste, impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the owner's part shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all other applicable legal remedies.
3. CDBG, HOME, and SHIP mortgage assistance is at zero percent (0%) interest and repayment is deferred for thirty (30) years (the affordability period) unless the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty years from the date of the Promissory Note and Mortgage. Prior to the maturity date, the mortgagee shall offer the mortgagor the opportunity to refinance with the same terms and conditions, so long as mortgagor has not defaulted on any terms or conditions set forth

in the Mortgage; however, mortgagor is under no obligation to refinance the loan. Mortgagee may also declare the principal balance of the loan due in full at any time prior to the maturity date, if mortgagor defaults on any term or condition of the Mortgage and/or Promissory Note.

4. CCF financing terms shall adhere to the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.
5. For projects involving a condominium association's common area the maximum loan amount shall not exceed the prorated assessment of each eligible unit owner, including associated soft costs.

Loan Security and Limitations

1. Property owners shall maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage in an amount sufficient to cover all loans against the property, with the City named as loss payee.
2. Property taxes shall be current at the time of application.
3. The City may deny a loan to an applicant whose property has additional indebtedness such as, but not limited to City State and/or federal liens, or has more than two mortgages, excluding loans from affordable housing entities.
4. If the owner(s) defaults on a superior mortgage, the City shall, wherever possible, recapture the entire amount of the City's indebtedness pursuant to the terms and conditions of the Mortgage and Promissory Note. Upon foreclosure by the superior mortgagee, the City may pursue any and all applicable legal remedies against the property owner pursuant to the City's Mortgage and Promissory Note.
5. A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. The homesteaded principal residence shall not be included in the calculation of non-retirement assets.
6. CCF Loan Security and Limitations shall adhere to the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Existing Mortgage Transactions

Upon the property owner's request to refinance, satisfy and/or subordinate the City's mortgage, the following guidelines shall apply:

Refinancing Requests and Subordination

Under the existing terms and conditions of the City's Promissory Note and Mortgage, full payment of the indebtedness is due on the maturity date or upon rental, sale, or transfer of the property. However, the City may allow subordination of its loan in situations where a new mortgage is required to restructure the debt to improve the home's affordability. The City may subordinate subject to the following conditions, as applicable:

1. A request associated with the thirty (30) year maturity date refinance option offered by the City.
2. The City's mortgage position remains the same or improves.
3. The dollar amount of the new debt is no greater than the pre-existing debt, plus reasonable and customary closing costs at no point to exceed seven percent (7%), unless the City's loan is paid off.
4. The borrower cannot take cash out.
5. Partial payoff of the City's loan may be considered. In this situation, the remaining debt to the City may be subordinated.
6. In cases of Loan Modification where the City's mortgage is superior, and subordination is the only option to modify terms under standard hardship circumstances to avoid foreclosure.
7. The Community Development Manager, or his/her designee, is authorized to make any management decisions which are not in conflict with Federal or State requirements. The Manager or designee may consider requests for subordination of the City's mortgage interest subject to the above conditions and execution of all applicable documents.

Satisfaction of Mortgages

The City Manager is authorized to execute and deliver Satisfaction of Mortgage after review by the Community Development Manager and approval by the City Attorney or designee. All written satisfaction requests not associated with a default of a superior mortgage, or full payment of the City's loan, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to satisfy a City Mortgage should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Mortgage (lien interest) shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will record each Satisfaction of Mortgage or Release of Lien in Broward County Records. The property owner is responsible for paying all applicable recording costs of said Satisfaction of Mortgage or Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check made payable to the City of Hollywood. CCF project financing is secured by personal guaranty and Deed Restriction and shall adhere to the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Assumption of Mortgage

When a property rehabilitated with City funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the loan and execute a new Promissory Note, providing he/she occupies the home as primary residence and qualifies under the program and income guidelines in place at the time of transfer of ownership. Otherwise, the loan(s) shall immediately be repaid in full.

Disaster Repair, Mitigation and Stabilization

Introduction

An appropriate community development objective is to fund Disaster Repair, Mitigation and Stabilization for households following a natural or manmade disaster as declared by the President of the United States or Governor of the State of Florida. This program will be implemented in the event of a natural or manmade disaster using funds that have made available through HUD and the Florida's Housing Finance Corporation to offer assistance to low- and moderate- income households in order to improve their housing to at least to assist with purchase of emergency supplies for eligible households to weatherproof damaged homes; conduct interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable; payment of insurance deductibles for rehabilitation of homes covered under homeowners insurance policies; and structural and system repairs. These types of assistance serve a public purpose by improving the quality and stability of Hollywood's neighborhoods and enhancing the City's tax base.

County Contribution Funds may be committed to Disaster Repair, Mitigation and Stabilization singularly or in a coordinated effort with private lending, and/or Federal and State funding where appropriate and compliant with funding regulations and the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Authority

Local governments are authorized both by the U.S. Department of Housing and Urban Development (HUD) and the State of Florida's Housing Finance Corporation to administer the general activity of Disaster Repair, Mitigation and Stabilization. Federal and State programs may be used to finance rehabilitation of privately-owned dwellings through use of grants, loans, loan guarantees, and interest subsidies in conjunction with private lending institutions and County Contribution Funds where appropriate.

Funding may be used to pay for labor, materials and other related costs incurred to mitigate the effects of a natural or manmade disaster.

Standards

County Contribution Funds are limited to repairs as permitted in the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time. State Housing Initiatives Partnership Program funds and Community Development Block Grant Funds may be used to stabilize property and conduct specific isolated repairs. In all other cases, the minimum standards for housing rehabilitation are:

1. Florida Building Code, as amended from time to time.

2. Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
3. Department of Housing and Urban Development Property Standards (24 CFR Section 92.251), as amended from time to time.
4. City of Hollywood Housing Rehabilitation Specifications.

Contractor Selection

Generally, projects funded by CDBG, HOME, or SHIP, shall be conducted using an approved list of Contractors selected through a competitive bidding process. Contractors selected for projects funded by County Contribution Funds and other non-federal or state sources shall be selected through a competitive bidding process.

Disaster Repair, Mitigation and Stabilization Exception -, the City, at its option, may permit the homeowner to select a properly insured licensed contractor to provide sewer connection/septic tank abandonment services and/or stabilization activities. The homeowner will be required to solicit no less than three bids.

Source of Funding

Funding sources for Disaster Repair, Mitigation and Stabilization assistance offered by the City of Hollywood include City, County, Federal, State, and private lender participants. Potential Federal sources include the CDBG, the HOME, and federally funded one-time or disaster assistance programs. State sources include SHIP and state funded one-time or disaster assistance programs. City and county funding may be provided by the Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing approved by the Hollywood City Commission on October 3, 2018, pursuant to Resolution No. R-2018-324. Private funding may be provided through competitive grant programs, partnerships with participating lenders and other community partners.

Eligibility Criteria

Program Eligibility

Disaster Repair, Mitigation and Stabilization shall be conducted within the framework of the granting agency's statutory regulations as well as applicable local policies and procedures. All funds used to administer the program are permitted to benefit very-low-, low-, or moderate-income households including the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME final Rule. All regulatory reviews will be conducted in accordance with applicable federal, state, and local requirements. These include, but are not limited to, certifications for environmental quality, fair housing, and drug-free workplace.

Applicant Eligibility

1. Applicant(s) shall meet the applicable income eligibility requirements, as established by federal and/or state guidelines as follows:
 - a) Disaster Repair, Mitigation and Stabilization will limit participation to households at or below 80% of AMI adjusted for family size or the maximum income limit of the funding source made available.
2. All Loan Program Applicants shall be homeowners who have damage to their homes related to a natural or manmade disaster as declared by the President of the United States or Governor of the State of Florida.
3. Applicant(s) shall not be anticipating nor involved in any bankruptcy or foreclosure action during any stage of the process.
4. Applicant(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 U.S.C. and 24 CFR Section 570.613, shall own and occupy the property, and shall comply with all program terms and conditions, including but not limited to rent restrictions.

Property Eligibility

1. Single-family homes and condominium units, including common areas are eligible properties. Mobil homes, multiple dwelling units and co-operatives are not eligible.
2. The property in need of repair shall be located within the corporate limits of the City of Hollywood.
3. Eligible properties shall have been granted Homestead Exemption from the Broward County Property Appraisers Office or the owner shall have applied for exemption.
4. The property shall conform to City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
5. The maximum loan amount per household for eligible repair items shall not exceed the installation cost of sewer connection including costs of abandonment of the septic tank and any required permits.
6. If Community Development staff determines that any particular disaster repair, mitigation and stabilization activity is deemed needed to mitigate against an imminent threat to the health, safety or welfare of the public or the occupant or the property, the application shall be prioritized and shall supersede existing applications.

Financing Terms Will Be Based Upon:

1. Homeowners whose total household income falls at/or below maximum income limits of the funding source are eligible for a zero percent (0%) interest, deferred payment loan.
2. Homeowners shall maintain the property in accordance with all applicable codes and regulations. The homeowner shall maintain the property in order to prevent waste, impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the owner's part shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all other applicable legal remedies.

3. Mortgage assistance is at zero percent (0%) interest and repayment is deferred for five (5) years (the affordability period) unless the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is forgiven on the maturity date set forth in the Mortgage that is five years from the date of the Promissory Note and Mortgage.
4. CCF financing terms shall adhere to the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Sewer Connection and Septic Abandonment

Introduction

The City of Hollywood has identified preservation of the City's housing stock as a priority. Preservation of housing stock through the rehabilitation of owner-occupied dwellings is a major community need throughout the City. An appropriate community development objective is to offer assistance to low- and moderate- income households in order to assist with system repairs. This type of assistance serves a public purpose by improving the quality and stability of Hollywood's neighborhoods and enhancing the City's tax base.

"County Contribution Funds" that result from the Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency. County Contribution Funds may be committed to Housing Rehabilitation singularly or in a coordinated effort with private lending, and/or Federal and State funding where appropriate and compliant with funding regulations and the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Authority

Local governments are authorized both by the U.S. Department of Housing and Urban Development (HUD) and the State of Florida's Housing Finance Corporation to administer the general activity of housing rehabilitation. Federal and State programs may be used to finance rehabilitation of privately-owned dwellings through use of grants, loans, loan guarantees, and interest subsidies in conjunction with private lending institutions and County Contribution Funds where appropriate.

Funding for Sewer Connection and Septic Abandonment may be used to pay for labor, materials and other related costs incurred to connect to the sewer system and abandon the existing septic tank.

Standards

County Contribution Funds are limited to repairs as permitted in the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time. State Housing Initiatives Partnership Program funds and Community Development Block Grant Funds may be used to stabilize property and conduct specific isolated repairs. In all other cases, the minimum standards for housing rehabilitation are:

1. Florida Building Code, as amended from time to time.

2. Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
3. Department of Housing and Urban Development Property Standards (24 CFR Section 92.251), as amended from time to time.
4. City of Hollywood Housing Rehabilitation Specifications.

Contractor Selection

Generally, projects funded by CDBG, ~~Home Investment Partnerships Program~~, and SHIP, shall be conducted using an approved list of Contractors selected through a competitive bidding process. Contractors selected for projects funded by County Contribution Funds and other non-federal or state sources shall be selected through a competitive bidding process.

1. Sewer Connection and Septic Tank Abandonment Exception - At the option of the City, properly insured and licensed contractors selected to provide Sewer Connection and Septic Tank Abandonment as required by the Hollywood Code of Ordinances may be selected by the homeowner by soliciting no less than three (3) bids.

Source of Funding

Funding sources for Sewer Connection and Septic Tank Abandonment assistance offered by the City of Hollywood include City, County, Federal, State, and private lender participants. Potential Federal sources include the Community Development Block Grant (CDBG), ~~the Home Investment Partnerships Program (HOME)~~, and federally funded one-time or disaster assistance programs. State sources include the State Housing Initiatives Partnership Program (SHIP) and state funded one-time or disaster assistance programs. City and county funding may be provided by the Interlocal Agreement among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing approved by the Hollywood City Commission on October 3, 2018, pursuant to Resolution No. R-2018-324. Private funding may be provided through competitive grant programs, partnerships with participating lenders and other community partners.

Eligibility Criteria

Program Eligibility

Sewer Connection and Septic Abandonment shall be conducted within the framework of the granting agency's statutory regulations as well as applicable local policies and procedures. All funds used to administer these programs are permitted to benefit very-low-, low-, or moderate-income households including the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME final Rule. Sewer Connection and Septic Abandonment may require further geographic restrictions. All regulatory reviews will be conducted in

accordance with applicable federal, state, and local requirements. These include, but are not limited to, certifications for environmental quality, fair housing, and drug-free workplace.

Applicant Eligibility

1. Applicant(s) shall meet the applicable income eligibility requirements, as established by federal and/or state guidelines as follows:
 - a) Sewer Connection and Septic Tank Abandonment Program will limit participation to households at or below 80% of AMI adjusted for family size or the maximum income limit of the funding source made available.
2. All Loan Program Applicants shall be homeowners who are required to hook-up to the City sewer system.
3. Applicant(s) shall not be anticipating nor involved in any bankruptcy or foreclosure action during any stage of the process.
4. Applicant(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 U.S.C. and 24 CFR Section 570.613, shall own and occupy the property, and shall comply with all program terms and conditions, including but not limited to rent restrictions.

Property Eligibility

1. Eligible properties are Owner-occupied Single Family Detached Homes and Townhomes where the connection is specific to an individual property.
2. The property in need of connection shall be located within the corporate limits of the City of Hollywood.
3. Eligible properties shall have been granted Homestead Exemption from the Broward County Property Appraisers Office or the owner shall have applied for exemption.
4. The property shall conform to City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
5. The maximum loan amount per household for eligible repair items shall not exceed the installation cost of sewer connection including costs of abandonment of the septic tank and any required permits.
6. If Community Development staff determines that any particular sewer connection and septic tank abandonment activity is deemed needed to mitigate against an imminent threat to the health, safety or welfare of the public or the occupant or the property, the application shall be prioritized and shall supersede existing applications.

Financing Terms Will Be Based Upon:

1. Homeowners whose total household income falls at/or below maximum income limits are eligible for a zero percent (0%) interest, deferred payment loan.
2. Homeowners shall maintain the property in accordance with all applicable codes and regulations. The homeowner shall maintain the property in order to prevent waste,

impairment or deterioration, and the City may monitor the property to assure compliance. Failure on the owner's part shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all other applicable legal remedies.

3. Mortgage assistance is at zero percent (0%) interest and repayment is deferred for five (5) years (the affordability period) unless the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is forgiven on the maturity date set forth in the Mortgage that is five years from the date of the Promissory Note and Mortgage.
4. CCF financing terms shall adhere to the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Housing Replacement

Introduction

During the course of inspecting houses for potential rehabilitation, it is occasionally determined that it is not cost effective to rehabilitate the structure. These homes typically have extensive code or building code deficiencies, including health and safety concerns. They are sometimes deemed unsafe and uninhabitable. Often these homes are owned by persons who are economically or physically unable to maintain their property.

Federal and state grant sources allow the financing of replacement housing, and it is also allowable under this housing policy. An appropriate community development objective is to offer assistance to low- and moderate-income households to reconstruct housing to the minimum property standards contained in 24 CFR Section 92.251(a).

Authority

HUD allows for voluntary, replacement housing under the CDBG and HOME Programs. The SHIP Program, under the category of new construction, allows the activity as well. This activity can be conducted with public funds or in combination with private lending institutions.

Standards

The standards for housing replacement are:

1. Florida Building Code, as amended from time to time.
2. Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
3. Department of Housing and Urban Development, Property Standards (24 CFR Section 92.251(a)) as amended from time to time.
4. Hollywood Housing Rehabilitation Specifications.

Eligibility

Applicant Eligibility

1. Applicant(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613 and shall be the property owner and occupant of the property.
2. Total household income shall fall below the maximum allowed by the granting source, adjusted for family size.

Property Eligibility

1. The structure must be a Single-Family Dwelling and the following factors shall be met:
 - a. Using construction cost data contained in the current edition of RSMeans or another reputable home repair/ construction software, staff's estimate of the cost of repair either exceeds 51% of the assessed value currently shown in the Broward County Property Appraiser's record or the repair exceeds 51% of the home's replacement cost; or
 - b. The repair estimate exceeds the financial limits of the Housing Rehabilitation Program as set forth in these policies.
2. The property shall be located within the corporate limits of Hollywood.
3. The replacement home shall conform to the City's Zoning and Land Development Regulations, Florida Building Code, and any other applicable regulations.
4. Loan limits for demolition and construction shall be determined based upon prevailing replacement costs and available funding.
5. Eligible properties shall have been granted Homestead Exemption from the Broward County Property Appraisers Office or the owner shall have applied for Homestead Exemption prior to applying for any financial assistance.
6. The maximum post-assistance appraised value (per plans and specs) of a participating property shall not exceed the published post assistance value limitations of the funding source being utilized.
7. In cases of Natural Disaster, this program permits reconstruction of units not standing on the site at the time of project commitment, provided that HOME funds are committed within twelve (12) months from the date of destruction.

Financial Terms

Financial assistance is available as a subsidy toward the demolition and replacement of an existing house. The amount of assistance will be determined by the financial ability of the homeowner. Financing will be in combination with a participating private lender or entirely publicly financed, subject to the availability of grant funds.

1. An applicant may elect to seek private lender financing to rebuild the house. The City offers a zero percent (0%) interest, deferred-payment mortgage loan in partnership with a participating private lender. The mortgage subsidy, to offset the costs of demolition and construction, will be determined on a case-by-case basis, depending upon the availability of funds.
2. In the event private funds cannot be secured, the City may elect to provide 100% of the funds to construct the home, subject to the terms and conditions of the funding subsidy programs and the repayment provisions set forth in these policies under Section VI (D) of the Housing Rehabilitation Program. The maximum subsidy limit for the Housing Replacement Program will be based upon the HUD Maximum Mortgage Limits using the annual Section 234-Condominium Housing basic mortgage limits, for elevator-type projects.
3. When the City refinances an existing private financial obligation, further described in these policies under Section VII. A. (6) of the Housing Replacement Program, the repayment shall be based on a calculation of 30% of the household's gross monthly

income with a maximum term of thirty (30) years. Any portion of principal loan amount not included in the payment structure will be deferred and subject to the provisions set forth in Section VI (D) of the Housing Rehabilitation Program policies. The cost of rehabilitation must exceed the amount of the debt refinanced to be considered for this program.

Loan Security and Limitations

1. Participants shall attend a credit counseling/budget workshop provide by a HUD-Certified Housing Counseling Agency.
2. A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. The homesteaded principal residence shall not be included in the calculation of non-retirement assets.
3. Property owners shall maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage adequate to cover all indebtedness and naming the City as Loss Payee.
4. All City-sponsored mortgage loans are secured by a Promissory Note. The City reserves all rights under both the note and mortgage.
5. The City shall ensure, by way of deed restriction that properties purchased or constructed with assistance under this section remain affordable to individuals or families whose household income does not exceed limits specific to the funding source. The City shall adhere to HOME program standards at set forth in 24 CFR Section 92.254(a)(4) and (5)(i) and (ii). However, under the terms and conditions of the City's Deferred-Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of the Promissory Note and Mortgage. Prior to the maturity date, the mortgagee shall offer the mortgagor an option to refinance with the same terms and conditions, so long as mortgagor has not defaulted on any terms or conditions set forth in the Mortgage; however, Mortgagor is under no obligation to refinance the loan. Mortgagee may also declare the principal balance of the loan due in full at any time prior to the maturity date, if the mortgagor defaults on any term of the Mortgage, including selling, renting, or ceasing to use the house as the primary residence of the buyer, or if it is transferred or conveyed by any other means of title conveyance. Any other standards required by an assisting funding source shall be applied and enforced, if longer in duration. The following chart demonstrates minimum compliance with HOME program "affordability" standards.

| \$ AMOUNT PER UNIT | MINIMUM AFFORDABILITY PERIOD |
|-------------------------|------------------------------|
| Under \$15,000 | 5 years |
| \$15,000.00 to \$40,000 | 10 years |
| Over \$40,000 | 15 years |

Housing Replacement Refinance

When it is determined that a house is to be demolished/replaced, and the current financial obligation of the homeowner(s) is negatively impacted, refinancing of the existing private mortgage(s) may be considered, based upon the following financial criteria:

1. Investment is being made to maintain current household affordability and payments will not exceed 30% of the applicant's household monthly gross income.
2. Applicant shall demonstrate hardship based upon the following criteria:
 1. Divorce or abandonment causing a reduction of household income which directly affects applicant's ability to repay the mortgage.
 2. Death or illness of household provider that prohibits his/her ability to contribute to the household income and directly affects applicant's ability to repay the mortgage.
 3. Illness of an immediate family member that requires at least one of the household providers to remain at home, leading to a reduction of household income which directly affects applicant's ability to repay the mortgage.
 4. Loss of job of at least one of the household providers leading to a reduction of income which directly affects applicant's ability to repay the mortgage.
 5. The hardship is a reduction of household income that is beyond the household provider's control.
 6. The City shall record a deed restriction in the Public Records of Broward County, Florida for any property constructed with refinance assistance under this section. The deed restriction shall ensure that the property remains affordable to individuals or families whose household income does not exceed limits specific to the funding source for a minimum of thirty (30) years.
 7. When it is determined that the hardship is long-term and/or permanent, and it is clearly in the best interest of the applicant to dispose of the property to avoid imminent foreclosure, the Community Development Division may recommend that the applicant seek alternative resources from a HUD-Certified Housing Counseling Agency.

Home Ownership Purchase Assistance

Introduction

The goal of the Home Ownership Assistance Program (HOPA) is to increase home ownership opportunities, improve the condition of existing housing units, and encourage new housing construction where feasible. The program promotes home ownership by providing closing costs and down payment assistance. The program enables the city to leverage public and private funding sources to encourage and promote affordable housing. An appropriate community development strategy is to offer financial assistance to enable low- and moderate- income households to acquire housing that meets the minimum property standards contained in 24 CFR Section 92.251(c). The “First-Time Homebuyer Purchase Assistance Program” funded by County Contribution Funds derived from the Inter-local Agreement Among Broward County, the City of Hollywood, and the City of Hollywood Community Redevelopment Agency Regarding Funding for Affordable Housing are governed by the Policies Governing Programs Supported by the Interlocal Agreement for Affordable Housing, Work Skills Development, and Infrastructure as amended from time to time.

Authority

Local governments are authorized by both the Department of Housing and Urban Development and the Florida–Housing Finance Corporation to participate in activities which assist eligible households in the acquisition of housing.

Source of Funding

Funding sources for home ownership assistance programs offered by the City of Hollywood include federal, state, local and private lender participants. Federal sources include the Community Development Block Grant (CDBG) Program, Home Investment Partnerships Program (HOME), and other sources of competitive private grants. State sources include the State Housing Initiatives Partnerships Program (SHIP). Clients may be assisted with other federal, state, local or private sources when these become available.

Program Eligibility

Home ownership purchase assistance shall be conducted within the framework of the granting agency’s rules and regulations, as amended from time to time, as well as applicable local policies and procedures. Funds used to administer these programs are presumed to benefit very low-, low-, or moderate-income households, including the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME Final Rule. Certain programs may require additional income restrictions. Regulatory reviews shall be conducted in accordance with federal and/or state requirements. Home Ownership Purchase Assistance participants may

also be assisted under the terms and conditions of the City's "Acquisition Rehabilitation Program" included in these policies.

Applicant Eligibility

1. Applicants shall meet the City's income eligibility requirements as established by federal and/or state guidelines as follows:
 - a) For HUD-funded CDBG and HOME programs, the maximum household income is 80% of AMI; for HUD funded NSP, the maximum household income is 120% of AMI, adjusted for family size.
 - b) For State Housing Finance Corporation programs, the maximum household income is 140% of AMI. However, the City of Hollywood's Community Development Programs restricts participation to households at or below 120% of AMI, adjusted for family size.
 - c) The income certification process includes the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME final Rule.
2. Applicants shall provide a pre-qualification letter from an institutional lender for a loan amount of not less than \$50,000
3. Applicants shall complete an eight-hour HUD-certified Home Buyers Education workshop. Completion certificates must be dated within one (1) year of application and must include the borrower and co-borrower.
4. Purchase assistance shall be provided at zero percent (0%) interest. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of the signing of the Promissory Note and Mortgage. The mortgagee shall offer the mortgagor the option of refinancing with the same terms and conditions, provided mortgagor has not defaulted on any terms or conditions set forth in the Mortgage and Promissory Note; however, mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date, if mortgagor defaults on any term of the Mortgage or Promissory Note. Applicant shall not be anticipating or involved in any bankruptcy during the homeownership purchase assistance process.
5. At the time of application, applicants for purchase assistance must show proof of liquid assets on deposit of no less than 3% of the pre-loan amount, as stated in the lender's pre-qualification letter, with the exception of Habitat For Humanity buyers for whom sweat equity may be substituted.
6. Applicant(s) must not have owned a home within the previous three (3) years according to the HUD definition of "First Time Home Buyer" in 24 CFR Part 92 and set forth in the section entitled "Definitions".
7. Applicant(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613. The owner must occupy the property as their primary residence and must comply with program terms and conditions, including but not limited to applicable rent restrictions.

Property Eligibility

1. Properties purchased with City assistance must be located within the incorporated limits of Hollywood and must be occupied as a primary residence.
2. Single family homes, town homes, and condominiums are eligible property types. Vacant lots are eligible for new construction.
3. The purchase price cannot exceed the maximum limit of the funding source for existing or new construction projects. This amount may be adjusted annually reflecting the requirements of the funding source.
4. The property to be purchased shall be subject to a home inspection in accordance with the Florida Building Code plus those additional requirements identified in the City of Hollywood's Code of Ordinances and other requirements identified by the Community Development Division. Effective January of 2015, the new Uniform Physical Conditions Standards (UPCS) are required in accordance with 24 CFR Section 5.703.
5. This policy allows the purchase of properties that are under the control and ownership of a Community Land Trust as defined in Section 193.017, Florida Statutes. The Community Development Manager, or designee, has the authority to review and the measures required to allow the flexibility needed for such a purchase.

Financial Arrangements

The following general policies shall apply:

1. A mortgage loan may be provided for the acquisition of an existing home or for construction of a new home.
2. Private lenders may lend up to 97% of the purchase price or appraised value, whichever is less. These loans, secured by note and mortgage, may be amortized up to thirty (30) years at a uniform, fixed interest rate not to exceed the customary rate for FNMA/FHMLC/Portfortio/FHA/Bond affordable mortgage. The loan cannot be assumable or include pre-payment penalties, and the private lender must adhere to the most current lender guidelines set forth by the administering agency.
3. At the time of application, applicants for financial assistance must show proof of liquid assets on deposit of no less than 3% of the approved pre-qualification loan amount as stated in the lender's pre-qualification letter, with the exception of Habitat for Humanity buyers for whom sweat equity may be substituted.
4. The City offers purchase assistance based on a calculation of need, up to the following maximum limits:
 - a) For Very-Low-, Low- and Moderate- Income purchasers, the city offers a mortgage subsidy not to exceed \$120,000.00 towards down payment/closing costs for principal reduction/mortgage subsidy acquisition of an existing home or new construction. Mortgage assistance shall be provided at zero (0) percent interest. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30)

years from the date of the signing or the Promissory Note and Mortgage. The mortgagee shall offer the mortgagor the option to refinance with the same terms and conditions, provided mortgagor has not defaulted on any terms or conditions set forth in the Mortgage; however, mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date, if the mortgagor defaults on any term of the Mortgage.

- b) For Very-Low-, Low- and Moderate- Income purchasers, the City offers a Conditional Grant subsidy up to \$50,000 to purchase property within Hollywood's eligible Neighborhood Pride areas. There is no monthly payment and if the home is used as the primary residence for the 15-year loan term, the mortgage is satisfied. Qualified buyers can receive a deferred payment loan at 0% interest, 15-year term, The loan would only need to be repaid if, during the 15-year loan term, the use changed, or the home was sold. There is an annual reduction of 1/15th of the City's total investment. If the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means during the Affordability Period, the City Lien or other security interest shall be immediately due and payable, with the amount due reflecting an annual reduction of 1/15th of the City's total investment beginning on the date the Conditional Grant was issued and ending on the date the status of the property changed.
- c) Very-Low-, Low- and Moderate- Income purchasers may qualify for both the Mortgage and Conditional Grant subsidies, pending they meet the qualifying criteria.
- d) In the case of new construction, the city offers a second mortgage subsidy towards the purchase price of a vacant lot, reasonable and customary closing costs, and construction costs.
- e) Funding may be combined with other County, state, local municipalities, federal, and certain approved assistance programs designated for affordable housing in certain instances. Restriction: A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. A homesteaded principal residence shall not be included in the calculation of non-retirement assets. Borrower(s) whose sole source of income is fixed (social security, disability) may submit a request for exemption from this restriction.

Loan Security and Limitations

The Following Limitations Apply:

1. Generally, homeowner assistance loans provided by the City are in second position and secured by a mortgage and promissory note. However, the City, may opt for a lower position to subordinate to Broward County, state, federal government, or private lender when necessary to aid in the provision of affordable housing. The City reserves all rights under the terms of the note and mortgage.
2. Property owners must maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage in an amount sufficient to cover replacement of the house, with the City named as loss payee.
3. A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance, unless the non-retirement assets will be used as part of the investment in the property. A homesteaded principal residence shall not be included in the calculation of non-retirement assets.
4. If the homeowner defaults on a superior mortgage, the City shall endeavor to recapture the entire amount of the City loan from the homeowner. Upon initiation of a foreclosure action by the superior mortgagee, the City may pursue any appropriate legal remedies against the property owner pursuant to the City's Mortgage and Promissory Note.
5. The City shall ensure by way of deed restriction that properties purchased with assistance under this section shall be affordable to individuals or families whose household income does not exceed the limits specific to the funding source. The City will follow HOME program period set forth at 24 CFR Section 92.254 (a) (4) and (5) (i), at a minimum, to comply with this period. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of the signing or the Promissory Note and Mortgage. The mortgagee shall offer the mortgagor the option of refinancing with to the same terms and conditions, if the mortgagor has not defaulted on any terms or conditions set forth in the Mortgage; however, mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date if the mortgagor defaults on any term of the Mortgage, including if the house is sold, rented, ceases to be the primary residence of the buyer, or is transferred or conveyed by any other means of title transference. Any other periods required by an assisting funding source shall be applied and enforceable, if longer in duration. The following chart demonstrates minimum compliance with HOME program "affordability" periods.

| \$ AMOUNT PER UNIT | MINIMUM AFFORDABILITY PERIOD |
|----------------------------|------------------------------|
| Under \$15,000.00 | 5 years |
| \$15,000.00 to \$40,000.00 | 10 years |
| Over \$40,000.00 | 15 years |

Refinancing Requests and Subordination

Under the existing terms and conditions of the City's Promissory Note and Mortgage, full payment of the indebtedness is due on the maturity date or upon rental, sale, or transfer of the property. The City may allow subordination of its loan in situations where a new mortgage is required to restructure the debt to improve the home's affordability. The City may subordinate subject to the following conditions, as applicable:

1. A request associated with the thirty (30) year maturity date refinance option offered by the City.
2. The City's mortgage position remains the same or improves
3. The dollar amount of the new debt shall be no greater than the pre-existing debt, plus reasonable and customary closing costs at no point to exceed seven percent (7%), unless the City's loan is paid off.
4. The borrower cannot take cash out.
5. Partial payoff of the City's loan may be considered. In this situation, the remaining debt to the City may be subordinated.
6. In cases of Loan Modification where the City's mortgage is superior, and subordination is the only option to modify terms under standard hardship circumstances to avoid foreclosure.
7. The Community Development Manager, or his/her designee, is authorized to make any management decision which does not conflict with applicable federal or state regulations. The Manager or designee may consider requests for subordination of the City's mortgage interest subject to the above conditions and execution of all applicable documents.

Satisfaction of Mortgages

The City Manager is authorized to execute and deliver all satisfactions of mortgage after review by the Community Development Manager and approval by the City Attorney or his/her designee. All written satisfaction requests not associated with a default of a superior mortgage, or full payment of the City's loan, will be considered based upon demonstration of financial benefit to the City. Any such determination that a request to satisfy a City Mortgage should be approved shall be forwarded to the Director of Financial Services and the collection or waiver in whole or part of a settlement of the City's Mortgage (lien interest) shall be completed in accordance with Section 38.75 of the City of Hollywood Code of Ordinances. The Community Development Division will send each Satisfaction of Mortgage or Release of Lien to Broward County for recording. The property owner is responsible for paying all applicable recording costs of said Satisfaction of Mortgage or Release of Lien via a Money Order, Cashier's Check, Title Company, or Law Firm check shall be made payable to the City of Hollywood.

Transfer of Ownership/Assumption of Mortgage

When a property rehabilitated with City funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the loan and execute a new Promissory Note, providing he/she occupies the home as primary residence and qualifies under

the program and income guidelines in place at the time of transfer of ownership. Otherwise, the loan(s) shall immediately be repaid in full.

Acquisition Rehabilitation Program

Goal

The objective of the Acquisition/Rehabilitation Program is to increase home ownership opportunities and improve the condition of existing housing stock. The program enables the City to leverage public and private funding to encourage and promote affordable housing. An appropriate community development strategy is to offer assistance to low- and moderate-income households in acquiring and rehabilitating housing to meet the minimum property standards in 24 CFR Section 92.251(c).

Objective

The Acquisition Rehabilitation Program allows for the purchase and rehabilitation of substandard housing by combining Purchase Assistance, Acquisition, and Rehabilitation activities into one program.

Authority

Local governments are authorized by both the Federal Government's Department of Housing and Urban Development and the State of Florida's Housing Finance Corporation to participate in activities that assist eligible households in the acquisition of existing housing or the construction of new housing and to administer the general activity of housing rehabilitation. Federal and State programs may be used to finance rehabilitation of privately-owned dwellings through use of grants, loans, loan guarantees, and interest subsidies, in conjunction with private lending institutions, when appropriate.

Federal and State programs may be used to pay for labor, materials, and other related costs incurred in rehabilitating housing that is in disrepair due to deferred maintenance or to replace systems and fixtures that have reached the end of their useful life. Generally, the goal is to restore a dwelling to a condition which is free of health and safety hazards, and which meets local housing codes.

Standards

The standards for housing rehabilitation are:

1. Florida Building Code, as amended from time to time.
2. Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
3. Department of Housing and Urban Development Property Standards (24 CFR Section 92.251), as amended from time to time.
4. Housing Rehabilitation Specifications.

Source of Funding

Funding sources for the Acquisition Rehabilitation Program offered by the City of Hollywood include Federal, State, and private lender participation. Potential Federal sources include Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Neighborhood Stabilization Program (NSP) and one-time or disaster-related programs. State sources include the State Housing Initiatives Partnerships Program (SHIP). Private funding may be provided through competitive grant programs, partnerships with participating lenders and other community partners.

Eligibility Criteria

Program Eligibility

Acquisition Rehabilitation Program activities shall be conducted within the framework of the granting agency's statutory rules and regulations, as amended from time to time, as well as applicable local policies and procedures. Funds used to administer these programs are presumed to benefit very low, low, or moderate-income households, including the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME Final Rule. Certain programs may require further income restrictions. Regulatory reviews shall be conducted in accordance with Federal and/or State requirements. These include, but are not limited to, certifications for environmental quality, fair housing, and drug-free workplace, in accordance with 24 CFR Section 92.251(b)(2). The City shall review and approve work write-ups (i.e., plans and specifications) and prepare written cost estimates. The city must determine that the work write-up and plans are in compliance with the City's written rehabilitation standards and that costs are reasonable and customary. Per 24 CFR Section 92.251(b)(3), the City shall conduct: (1) an initial inspection of the property to determine any deficiencies to be addressed, (2) Conduct progress inspections to monitor construction activities, and (3) final inspection to ensure that work was done in accordance with the project's approved work write-up or plans. For these inspections, the City can either use qualified in-house staff or secure a qualified third party that is independent of the applicant.

Applicant Eligibility

1. Applicants must meet income eligibility requirements as established by Federal and/or State guidelines and eligibility requirements under the City's Home Ownership Purchase Assistance Program as follows:
 - a) For HUD-funded CDBG and HOME programs, the maximum household income is 80% of AMI; for HUD-funded NSP, the maximum household income is 120% of AMI, adjusted for family size.

- b) For State Housing Finance Corporation programs, the maximum household income is 140% of AMI. However, the City of Hollywood's Community Development Programs limits participation to households at or below 80% of AMI, adjusted for family size.
 - c) The income certification process will include the Section 8 Housing Voucher program restrictions on student participation adopted by the 2013 HOME Final Rule.
- 2. Applicants shall provide a pre-qualification letter from an institutional lender for a loan amount of not less than \$50,000.00.
- 3. Applicants shall complete an eight-hour HUD-certified Home Buyers Education workshop. Certificates shall be dated within one year of application and must be provided by the borrower and co-borrower.
- 4. Applicant must not be anticipating or involved in any bankruptcy during the homeownership assistance process.
- 5. Applicants for subsidy assistance shall show proof of cash assets on deposit of no less than 3% of the pre-qualified amount, as stated in the lender's pre-qualification letter, with the exception of Habitat for Humanity buyers for whom sweat equity may be substituted.
- 6. Applicant(s) must not have owned a home within the previous three (3) years according to the HUD definition of "First Time Home Buyer" in 24 CFR Part 92 entitled "Definitions".
- 7. Applicant(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613. The owner must occupy the property as their primary residence and must comply with program terms and conditions, including but not limited to applicable rent restrictions.

Property Eligibility

- 1. Properties purchased with City assistance must be located within the corporate limits of Hollywood and must be occupied as a primary residence as evidenced by a homestead exemption application from the Broward County Property Appraiser's Office.
- 2. Single family homes, town homes, and condominiums are eligible property types. Vacant lots are eligible for new construction. Mobile Homes and Co-Operatives are not eligible for the program.
- 3. The purchase price shall not exceed the maximum funding source limits for existing or new construction projects. This figure may be adjusted annually reflecting the requirements published by the funding source.
- 4. The property to be purchased shall be subject to a home inspection in accordance with the Florida Building Code plus those additional requirements identified in Hollywood's Code of Ordinances and any other requirements identified by Community Development Division. Effective January of 2015, the new Uniform Physical Conditions Standards (UPCS) are required in accordance with 24 CFR Section 5.703.
- 5. This policy shall allow for the purchase of property under the control and ownership of a Community Land Trust as defined in Section 193.017, Florida Statutes. The Community Development Manager, designee, shall have the authority to review and apply all reasonable allowances eligible by the funding source necessary to allow the flexibility needed for such a purchase.

The following requirements apply to housing for homeownership slated for rehabilitation after transfer of the ownership interest:

- a) Prior to transfer of the homeownership interest, the City of Hollywood shall:
 - i. Inspect the housing for any defects that pose a danger to health and safety; and
 - ii. Notify the prospective purchaser of the work needed to cure the defects and the time by which such defects must be cured, and applicable property standards met.
 - b) The housing must be free from all noted health and safety defects prior to occupancy and not later than six (6) months after the transfer.
 - c) The housing shall meet the property standards in 24 CFR Section 92.251(a)(1) not later than two (2) years after transfer of the ownership interest.
6. The property shall conform to the Hollywood Zoning and Land Development Regulations regarding the allowable use and density.
7. The maximum loan amount per household for eligible repair items shall not exceed \$120,000.00 unless the repairs are for: a) correcting existing code deficiencies or violations as set forth in the Hollywood Code of Ordinances and/or Federal Minimum Property Standards as set forth in 24 CFR Part 92.251; or (b) curing a verifiable overcrowding condition. The construction costs shall not exceed 60% of the assessed value of the primary structure, subject to applicable Florida Building Code regulations and FEMA standards. The loan amount shall be based upon the aggregated total of all outstanding City of Hollywood housing loans for the subject property.
- a. The post-rehabilitation value shall be determined by appraisals prepared by a licensed fee appraiser or the City's staff appraiser. All non-conforming or un-permitted improvements to primary structures shall be converted in conjunction with the project.
8. Required insurance coverage shall be current at the time of application and maintained throughout the life of the loan. If insurance coverage is not maintained, the City may either force place insurance or deem the borrower in default of the mortgage and pursue any and all legal remedies pursuant to the terms and conditions of the mortgage and/or Promissory Note to recover on the Applicant's indebtedness.

Financial Arrangements

The following general policies apply:

- Mortgage loans may be provided for the acquisition of an existing home or for the construction of a new home.
- A private institution may lend up to 97% of the purchase price or appraised value, whichever is less. These loans, secured by note and mortgage, may be amortized up to thirty (30) years at a uniform fixed interest rate not to exceed the customary rate for FNMA/FHMLC/Portfortio/FHA/Bond affordable mortgage. The loans are not assumable and cannot have pre-payment penalties and the lender must adhere to the most current lender guidelines set forth by the administering agency. C. Applicants for subsidy assistance must show proof of cash assets on deposit of no less than 3% of the pre-

qualified loan amount as stated in the lender's pre-qualification letter, with the exception of Habitat for Humanity buyers for whom sweat equity may be substituted.

- The City offers mortgage subsidies based on a calculation of need up to the following maximum limits:
 - For Very-Low-, Low- and Moderate- Income purchasers, the City offers a mortgage subsidy not to exceed \$120,000.00 toward down payment/closing costs for principal reduction/mortgage subsidy acquisition of an existing home or new construction. Mortgage assistance shall be provided at zero (0) percent interest. Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of the signing of the Promissory Note and Mortgage. The mortgagee shall offer the mortgagor the option to refinance with the same terms and conditions, provided mortgagor has not defaulted on any terms or conditions set forth in the Mortgage; however, mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date, if the mortgagor defaults on any term of the Mortgage.
 - For Very-Low-, Low- and Moderate- Income purchasers, the City offers a Conditional Grant subsidy up to \$50,000 to purchase property within Hollywood's eligible Neighborhood Pride areas. There is no monthly payment and if the home is used as the primary residence for the 15-year loan term, the mortgage is satisfied. Qualified buyers can receive a deferred payment loan at 0% interest, 15-year term. The loan would only need to be repaid if, during the 15-year loan term, the use changed, or the home was sold. There is an annual reduction of 1/15th of the City's total investment. If the home is sold, rented, ceases to be the primary residence of the beneficiary, or is transferred or conveyed by any other means during the Affordability Period, the City Lien or other security interest shall be immediately due and payable, with the amount due reflecting an annual reduction of 1/15th of the City's total investment beginning on the date the Conditional Grant was issued and ending on the date the status of the property changed.
 - Very-Low-, Low- and Moderate- Income purchasers may qualify for both the Mortgage and Conditional Grant subsidies, pending they meet the qualifying criteria.
 - Restriction: Liquid Assets – Borrower(s) with liquid assets in excess of \$20,000.00 are not eligible for down payment assistance unless the funds are used to invest in the property. IRAs, pensions, 401k's, and other non-liquid retirement accounts are not included in the calculation of restricted assets. Borrower(s) whose sole source of income is fixed (social security, disability) may submit a request for exemption from this restriction.
 - Program participants shall maintain the property in accordance with all City codes and regulation. Further, the participant is required to maintain the property in order to prevent waste, impairment, or deterioration of the property. The City shall monitor the property to assure compliance. Failure on the program participant's part shall be considered a default under the City's Mortgage and Promissory Note wherein the City may pursue acceleration of the payment and all appropriate legal remedies.

Loan Security and Limitations

The Following Limitations Apply:

1. The Home Ownership Purchase Assistance and Housing Rehabilitation loans are subordinate and shall be secured by a mortgage, promissory note, and deed restriction. The City may take a position less than second and third position to subordinate to Broward County, State, Federal Government, or private lender where necessary to aid in the provision of affordable housing. The City reserves all rights under the terms of the note and mortgage.
2. A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. The homesteaded principal residence shall not be included in the calculation of non-retirement assets.
3. Property owners must maintain fire, hazard, flood, and windstorm (where applicable) insurance coverage in an amount adequate to cover replacement of the house, with the City named as loss payee.
4. If the homeowner defaults on a superior mortgage, the City shall endeavor to recapture the entire amount of the City loan from the homeowner. In the event of a foreclosure action by the superior mortgagee, the City may pursue appropriate legal remedies against the property owner pursuant to the City's Mortgage and Promissory Note.
5. The City shall ensure, by way of deed restriction that properties purchased with assistance under this section remain affordable to individuals or families whose household income does not exceed the limits specified by the funding source. The City will follow HOME program period set forth at 24 CFR Section 92.254 (a) (4) and (5) (i) Under the terms and conditions of the City's Deferred Payment Promissory Note and Mortgage, the debt is payable in full on the maturity date set forth in the Mortgage that is thirty (30) years from the date of execution of the Promissory Note and Mortgage. Prior to the maturity date, the mortgagee shall offer the mortgagor a refinancing option, pursuant to the same terms and conditions, if mortgagor has not defaulted on any terms or conditions set forth in the Mortgage. At maturity mortgagor is under no obligation to refinance the loan. Mortgagee may also require the principal balance of the loan to be paid, in full, at any time prior to the maturity date if mortgagor defaults on any term of the Mortgage, including if the house is sold, rented, ceases to be the primary residence of the buyer, or is transferred or conveyed by any other means of title transference. Any other periods required by an assisting funding source shall be applied and enforceable, if longer in duration. The following chart demonstrates compliance with HOME program "affordability" periods.

| \$ AMOUNT PER UNIT | MINIMUM AFFORDABILITY PERIOD |
|----------------------------|------------------------------|
| Under \$15,000.00 | 5 Years |
| \$15,000.00 to \$40,000.00 | 10 Years |
| Over \$40,000.00 | 15 years |

Assumption of Mortgage

When a property rehabilitated with City funds transfers ownership other than through sale, such as inheritance, the new owner may apply for an assumption of the loan and execute a new Promissory Note, providing he/she occupies the home as primary residence and qualifies under the program and income guidelines in place at the time of transfer of ownership. Otherwise, the loan(s) shall immediately be repaid in full.

Property Acquisition Program

Goal

The Property Acquisition Program is designed to assist in the expansion of affordable housing choices throughout the city and to eliminate slum and blight in the City's neighborhoods.

Objective

To acquire vacant lots or structures or occupied properties throughout the City for the provision of affordable housing. Structures that are not substandard may be rehabilitated and conveyed to a participant in the Home Ownership Purchase Assistance (HOPA) Program. Structures that are substandard shall be demolished and the lots sold. This activity serves a public purpose by positively influencing the quality and stability of Hollywood's neighborhoods and its residential tax base.

Authority

Local governments are authorized by both the Federal Department of Housing and Urban Development and the State of Florida's Housing Finance Agency to provide a range of housing strategies that will benefit very-low, low, and moderate-income persons. Federal and State programs may be used to pay for labor, materials, and other related costs incurred to repair housing which is in disrepair. The goal is to restore a house to a condition which is free of health and safety violations, and which meets minimum local housing codes. Land may also be acquired and made available for construction of new housing.

Source of Funding

Funding sources for the Property Acquisition Program include Federal, State, and private lender participation. Federal sources include Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), the Neighborhood Stabilization Program under the Housing and Economic Recovery Act (NSP-1), the Neighborhood Stabilization Program under the American Recovery and Reinvestment Act (NSP-3). State funding is provided by the State Housing Initiatives Partnerships Program (SHIP). Other programs that offer funding opportunities may be utilized, as appropriate.

Criteria

The City of Hollywood may purchase vacant lots for the purpose of constructing new housing. The City may also purchase vacant homes and rehabilitate them when such renovation is economically feasible and dispose of the homes through the Home Ownership Purchase Assistance Program. As part of the neighborhood revitalization strategy to create mixed income neighborhoods, the City may dispose of the property at market value.

When the property is not repairable, the City may demolish the structure and sell the lot for construction of new affordable housing to benefit income-eligible households. Depending on the source of funding, these homes will be sold at no greater cost than the funding source limitations.

Tenant-Based Rental Assistance

Goal

The goal of the Tenant-Based Rental Assistance (TBRA) program is to provide rental assistance to LMI households.

Objective

To create partnerships with non-profit agencies capable of providing rental assistance using TBRA funds to LMI households while simultaneously linking the participants with other services to stabilize or increase household income and address other social service concerns. The City may provide assistance directly or via a third-party.

Authority

Local governments are authorized by the Federal Department of Housing and Urban Development to provide TBRA activities in accordance with 24 CFR Section 92.209.

Source of Funding

Home Investment Partnerships Program (HOME) and other federal, state, or local programs that offer funding opportunities may be utilized as well.

Eligibility and Requirements

Tenant Beneficiary Eligibility Requirements

1. A tenant beneficiary(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613.
2. Total household income must fall below the maximum allowed by the granting source, adjusted for family size.
3. Only if the City or the partnering agencies program is administered in accordance with 24 CFR Section 92.209(b) may the partnering agency establish a preference for individuals with special needs (such as homeless persons or elderly persons) and persons with disabilities (in certain situations) providing the preferences do not limit the opportunities of persons on any basis prohibited by the laws listed under 24 CFR Section 5.105(a).
4. The City, partnering agencies, or property owners shall take no action that prevents a potential tenant beneficiary household from maintaining its position and preference status on a Section 8 waiting list.
5. A partnering agency may charge a nominal application fee to discourage frivolous applications. Said fees shall be reasonable and customary for the services being provided.

Additional Requirements

1. In accordance with 24 CFR Section 92.209(g), each tenant beneficiary must execute a written lease of not less than one year unless by mutual agreement between the tenant, the owner, and the partnering agency.
2. Each tenant beneficiary lease shall comply with the HOME lease requirements set forth in 24 CFR Section 92.253(a) and (b) which prohibit the following lease terms:
 - a) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - b) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - c) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - d) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - e) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - f) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - g) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - h) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
3. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with TBRA funds, except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
4. An owner may charge reasonable and customary fees such as a monthly fee for access to laundry facilities, reasonable application fees to prospective tenants, parking fees in neighborhoods where such fees are customary, and the cost of non-mandatory services such as meal or bus service.

5. The City or a partnering agency is required to establish both a minimum tenant contribution to rent and a rent standard for the unit size based on the rent standard established in 24 CFR Part 982, which governs the Section 8 Housing Choice Voucher Program.
6. The City or partnering agency shall adopt written tenant selection policies and criteria that:
 - a) Are consistent with the purpose of providing housing for very low-income and low-income households;
 - b) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
 - c) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
 - d) Give prompt written notification to any rejected applicant of the grounds for any rejection.
7. The leased property shall meet the property standards criteria set forth in 24 CFR Section 92.401 or any successor requirements imposed by the funding source.
8. Upon reasonable notice to the owner, and the tenant beneficiary, the City or a partnering agency shall conduct property inspections at least annually to determine that the property continues to meet the property standards set forth in 24 CFR Section 92.401 or any successor requirements imposed by the funding source.

Eligible Expenses

Project Expenses

Project expenses are the rental assistance and security deposit payments made to provide tenant based rental assistance for an eligible household. Utility deposits are eligible only when made in conjunction with the rental assistance or security deposit assistance.

Soft Costs

In accordance with 24 CFR Section 92.206(d)(6), a partnering agency may expend for reasonable and necessary costs incurred by the partnering agency and associated with program delivery. These costs include, but are not limited to:

1. Staff and overhead costs directly related to carrying out the project, such as inspections and income certifications. These are the only project delivery costs eligible under TBRA. All other program delivery expenses are considered general HOME admin.
2. Costs of a project audit.
3. Costs to provide informational services such as affirmative marketing and fair housing information.

Lease/Purchase Program

Introduction

The Lease/Purchase Program shall be administered in association with the Hollywood Housing Authority to purchase and lease residential properties to eligible tenant/purchasers. The goal of the Lease/Purchase Program is to increase home ownership opportunities, improve the condition of existing housing stock, and educate participating clients in maintaining the property they occupy. An appropriate community development objective is to offer assistance to low- and moderate-income households in order to participate in the Lease/Purchase Program to lease homes that meet the standards set forth in 24 CFR Section 982.401 and be maintained in accordance with 24 CFR Section 92.251(f)(1) in order to eventually purchase the home.

Authority

Local governments are authorized by both the Federal Department of Housing and Urban Development and Florida's Housing Finance Agency to participate in activities which assist eligible households in the acquisition of existing housing. The Federal Home Investment Partnerships Program (HOME), State Housing Initiatives Partnerships Program (SHIP), the Neighborhood Stabilization Program under the Housing and Economic Recovery Act, and the Neighborhood Stabilization Program under the American Reinvestment and Recovery Act, each allow these activities.

Eligibility Criteria

Program Eligibility

Lease/Purchase assistance must be conducted within the framework of the granting agency's statutory rules and regulations, as amended from time to time, as well as applicable local policies and procedures. Funds used to administer this program are presumed to benefit very-low-, low-, or moderate-income households. Regulatory reviews will be conducted in accordance with Federal and/or State requirements.

Applicant Eligibility

1. The Hollywood Housing Authority is responsible for locating and contracting properties for the Lease/Purchase program.
2. For HUD-funded CDBG and HOME programs, the maximum household income is 80% of AMI; for HUD-funded NSP, the maximum household income is 120% of AMI, adjusted for family size. For SHIP-funded activities the maximum median household income will not exceed 120% of the area median income limits.
3. Lease/Purchase occupant shall meet income eligibility guidelines, if applicable, for the City's Housing Rehabilitation Loan Program.

Property Eligibility

1. Properties purchased with assistance from the City of Hollywood must be located within the corporate limits of Hollywood.
2. Single family homes, owner-occupied duplexes, town homes, and condominiums are eligible types.
3. The maximum purchase price shall not exceed the published value limitations required by the funding source.
4. Any property proposed for the Lease/Purchase program shall be inspected by City staff prior to being considered for purchase.
5. Properties proposed for the Lease/Purchase program may be tenant-occupied, vacant, abandoned, or bank-owned.
6. All repairs, including, but not limited to code violations, observed at the time of inspection, must be corrected to the standards contained in the City's Housing Rehabilitation Program.

Financial Arrangements

Loan terms, conditions, and limits under the Housing Rehabilitation or Home Ownership Assistance Programs shall be determined by the Director of the Department of Development Services, or designee, on a case-by-case basis.

Loan Security and Limitations

The Following Limitations Apply:

1. Hollywood Housing Authority Lease/Purchase program loans are Mortgages secured by a Promissory Note. All City Housing Rehabilitation program loans will be a Mortgage secured by a Promissory Note where applicable. The City reserves all rights under the terms of the Note and Mortgage.
2. A borrower that has non-retirement assets in excess of the amount of subsidy provided by these programs is not eligible for assistance. The homesteaded principal residence shall not be included in the calculation of non-retirement assets.
3. The Hollywood Housing Authority shall ensure that hazard, flood, and windstorm (where applicable) insurance coverage in an amount that is adequate to cover all property loans, with the City named as loss payee is in place and maintained.
4. The Homebuyer Assistance and/or the Housing Rehabilitation loan will be made directly to the HHA under the terms and conditions established by the Director. Hollywood Housing Authority loans will be retired by the tenant/purchaser at the time of title transfer from the Hollywood Housing Authority.

5. The City shall ensure, by way of deed restriction that properties purchased with assistance under this section remain affordable to households whose income does not exceed income limits specific to the funding source. The City shall follow HOME program periods set forth at 24 CFR Section 92.254 (a) (4) and (5) (i) and (ii). Any other standards required by an assisting funding source shall be applied and enforceable, if longer in duration. The following chart demonstrates minimum compliance with HOME program “affordability” periods.

| \$ AMOUNT PER UNIT | MINIMUM AFFORDABILITY PERIOD |
|----------------------------|------------------------------|
| Under \$15,000.00 | 5 years |
| \$15,000.00 to \$40,000.00 | 10 years |
| Over \$40,000.00 | 15 years |

Disaster/Emergency Assistance: Re-Housing/Eviction Prevention/Rent and Utility Assistance

Goal

The goal of the Re-Housing/Eviction Prevention/Rent and Utility Assistance Program is to provide rental and utility assistance to LMI households and security and utility deposit assistance to secure temporary or permanent housing primarily during emergency or disaster situations as declared by the Governor of the State of Florida or the President of the United States.

Objective

To create partnerships with non-profit agencies capable of providing rental and utility assistance using available funding sources to LMI households while simultaneously linking the participants with other services to stabilize or increase household income and address other social service concerns. The City may provide assistance directly or via a third-party.

Authority

- The City is authorized by the Florida Housing Finance Corporation to provide State Housing Initiatives Partnership (SHIP) funds in accordance with 420.907-9079; and
- The City is authorized by the United States Department of Housing and Urban Development to provide Community Development Block Grant (CDBG) funds pursuant to the eligibility requirements set forth in 24 CFR 570; and
- The City is authorized by the United States Department of Housing and Urban Development to provide HOME activities in accordance with 24 CFR 92
- Broward County has been awarded funds deriving from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. No. 116-136, div. A Title V. A portion of the CARES Act Funds has been distributed to the City of Hollywood under a written Interlocal Agreement with Broward County; and
- The State of Florida has been awarded funds deriving from the CARES Act. A portion of the CARES Act Funds has been distributed to the City of Hollywood under a written Subrecipient Agreement with the Florida Housing Finance Corporation.

Source of Funding

Potential funding sources are:

- CDBG and associated supplemental allocations due to federally declared disaster/emergency situations.
- HOME funds and associated supplemental allocations due to federally declared disaster/emergency situations.
- SHIP funds and associated supplemental allocations due to State of Florida declared disaster/emergency situations.

- CARES Act funds provided by Broward County.
- CARES Act funds provided by the State of Florida.

Eligibility and Requirements

Tenant Eligibility Criteria

- A tenant beneficiary(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613.
- The tenant beneficiary's total household income must not exceed 120% Area median Income (AMI), adjusted for family size, at the time of application.
- The tenant beneficiary must reside within the corporate limits of the City of Hollywood and had residency within the corporate limits of the City of Hollywood as of the date the COVID-19 Health Emergency was officially declared by Governor of the State of Florida.
- The tenant beneficiary must have a lease in their name.
- The tenant beneficiary or household member must not have liquid assets that exceed the benefit cap of the Re-Housing/Eviction Prevention/Rent and Utility Assistance program.
- The Re-Housing/Eviction Prevention/Rent And Utility Assistance Program is created in part to assist eligible households with temporary rental and utility assistance in order to avoid displacement due to loss of income, reduction in hours, or unemployment as a result of the COVID-19 Health Emergency.
- The tenant beneficiary must have documentable information to evidence loss of income, reduction in hours, or unemployment as a result of the disaster/emergency that contributed to non-payment of rental and/or utility payments or inability to pay future rent and/or utility payments.
- The tenant beneficiary must have not received assistance covering the months of assistance requested.

Homeless Eligibility Criteria:

- A homeless beneficiary(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613.
- A homeless beneficiary lacks a fixed, regular, and adequate nighttime residence, meaning: (1) Has a primary nighttime residence that is a public or private place not meant for human habitation; (2) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs; or (3) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- The homeless beneficiary's total household income must not exceed 120% Area median Income (AMI), adjusted for family size, at the time of application.

- The homeless beneficiary must not have liquid assets that exceed the benefit cap of the Re-Housing/Eviction Prevention/Rent and Utility Assistance Program.
- A homeless beneficiary is presumed to have a loss or reduction of income as a result of the COVID-19 Health Emergency.

Eligible Expenses

Project Expenses

The benefit cap per household is the lesser of \$10,000.00- or 6-months' rent and utility payments. Project expenses are the rental assistance and utility payments necessary to assist in the stability of an eligible household.

Soft Costs

A partnering agency may expend for reasonable and necessary costs incurred by the partnering agency and associated with program delivery. These costs include, but are not limited to:

1. Staff and overhead costs directly related to carrying out the project, such as inspections and other services related to assisting potential tenants.
2. Costs of a project audit.
3. Costs to provide informational services such as affirmative marketing and fair housing information.

Disaster/Emergency Assistance: Foreclosure Prevention/Mortgage Assistance

Goal

The goal of the Foreclosure Prevention/Mortgage Assistance program is to provide one-time mortgage and utility assistance to LMI households primarily during emergency or disaster situations as declared by the Governor of the State of Florida or the President of the United States.

Objective

To create partnerships with non-profit agencies capable of providing rental and utility assistance using available funding sources to LMI households while simultaneously linking the participants with other services to stabilize or increase household income and address other social service concerns. The City may provide assistance directly or through a third-party.

Authority

- The City is authorized by the Florida Housing Finance Corporation to provide State Housing Initiatives Partnership (SHIP) funds in accordance with 420.907-9079; and
- The City is authorized by the United States Department of Housing and Urban Development to provide Community Development Block Grant (CDBG) funds pursuant to the eligibility requirements set forth in 24 CFR 570; and
- The City is authorized by the United States Department of Housing and Urban Development to provide HOME activities in accordance with 24 CFR 92
- Broward County has been awarded funds deriving from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. No. 116-136, div. A Title V. A portion of the CARES Act Funds has been distributed to the City of Hollywood under a written Interlocal Agreement with Broward County; and
- The State of Florida has been awarded funds deriving from the CARES Act. A portion of the CARES Act Funds has been distributed to the City of Hollywood under a written Subrecipient Agreement with the Florida Housing Finance Corporation.

Source of Funding

Potential funding sources are:

- CDBG and associated supplemental allocations due to federally declared disaster/emergency situations.
- HOME funds and associated supplemental allocations due to federally declared disaster/emergency situations.
- SHIP funds and associated supplemental allocations due to State of Florida declared disaster/emergency situations.

- CARES Act funds provided by Broward County.
- CARES Act funds provided by the State of Florida.

Eligibility and Requirements

Beneficiary Eligibility Requirements are as follows:

- A beneficiary(s) shall be a United States Citizen or legal resident, eligible to receive federal assistance as defined in Title 8 of the U.S.C. and 24 CFR Section 570.613.
- The beneficiary's total household income must not exceed 120% Area median Income (AMI), adjusted for family size (unless otherwise limited by the funding source), at the time of application.
- The beneficiary must reside within the corporate limits of the City and been a resident within the corporate limits of the City as of the date of the disaster/emergency was officially declared by the available funding source or notification of funding availability that allows expenditures (whichever is later).
- The beneficiary must have a mortgage in their name.
- The beneficiary or household member must not have liquid assets that exceed the benefit cap of the Foreclosure Prevention/Mortgage and Utility Assistance Program.
- The Foreclosure Prevention/Mortgage and Utility Assistance Program is created to assist eligible households with temporary mortgage and utility assistance in order to avoid displacement due to loss of income, reduction in hours, or unemployment as a result of a State of Florida or federally declared disaster/emergency. The beneficiary must have documentation that provides evidence substantiating loss of income, reduction in hours, or unemployment as a result of the disaster/emergency that contributed to non-payment of mortgage and/or utility payments or inability to pay future mortgage and/or utility payments.
- The beneficiary must have not received assistance (including but not limited to assistance provided by the mortgage provider) covering the months of assistance requested.

Eligible Expenses

Project Expenses

The benefit cap per household is the lesser of \$10,000.00- or 6-months' mortgage and utility payments. Project expenses are the mortgage assistance and utility payments necessary to assist in the stability of an eligible household.

Soft Costs

A partnering agency may expend for reasonable and necessary costs incurred by the partnering agency and associated with program delivery. These costs include, but are not limited to:

- Staff and overhead costs directly related to carrying out the project, such as inspections and other services related to assisting potential tenants.
- Costs of a project audit.
- Costs to provide informational services such as affirmative marketing and fair housing information.