



# **CITY OF HOLLYWOOD, FLORIDA**

**DEPARTMENT OF DEVELOPMENT SERVICES  
COMMUNITY DEVELOPMENT DIVISION**

**POLICIES GOVERNING  
PROGRAMS SUPPORTED BY  
THE INTERLOCAL AGREEMENT  
FOR  
AFFORDABLE HOUSING,  
WORK SKILLS DEVELOPMENT,  
AND  
INFRASTRUCTURE**

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## **ADMINISTRATIVE POLICIES – INTRODUCTION AND OVERVIEW**

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### **I. INTRODUCTION**

- A.** 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.
- B.** 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. At this time

these tracts are 912.01, 919.02, 904.01, 918.01, 905.04, 914.00, 917.02, 903.02, 904.03, 903.01, 911.00, 904.04, and 805.00 (hereinafter LMI Area); 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. Other affordable housing programs approved in writing by the Broward County Administrator.

## **II. CCF FUNDING AUTHORITY AND COMMITMENT**

- A. 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
- B. 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).
- C. 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.

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

## **II. PROGRAM AND POLICY ADMINISTRATION**

### **A. 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.

### **B. 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.

### **C. WRITTEN AGREEMENTS WITH ADMINISTRATORS, DEVELOPERS OR CONTRACTORS**

1. 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:
  - a. Any entity carrying out all or a portion of a program is serving in the capacity of Administrator.
  - b. Any entity carrying out specific projects within a program is serving in the capacity of Developer, or Contractor.
2. Written agreements with Administrators, Developers, or Contractors shall include, but not necessarily be limited to the following:

- a. Requirements for income determinations, rehabilitation standards (where applicable), homebuyer program policies (where applicable), and affordability requirements as set forth in the ILA.
- b. 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.
- c. 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.
- d. 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).
- e. 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)
- f. 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.
- g. 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).
- h. 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).
- i. 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.
- j. 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)
- k. 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).

3. 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:
  - a. 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.
  - b. 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.
  - c. 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.

#### **D. 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.

#### **E. 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.

#### **IV. MONITORING AND INSPECTIONS**

##### **A. 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.

##### **B. Policy**

1. 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.
2. 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.
3. Inspection Schedule – The property receiving assistance will be inspected periodically during construction to gauge progress.

#### **V. 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. Generally, applicants shall be prioritized on a first-qualified, first-served basis; 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.

#### **VI. 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:

- A. 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



- B.** 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:
- i. identification of the source(s) of all funding to date for the program;
  - ii. the total amount received from each funding source; and
  - iii. the total amount paid or expended to date for the program.

## **VII. 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.

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## OWNER-OCCUPIED HOUSING REHABILITATION

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### I. 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 necessary to accomplish the project.

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

- Security lighting

## **II. Standards**

The standards for housing rehabilitation are as follows:

- A.** Florida Building Code, as amended from time to time.
- B.** Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- C.** City of Hollywood Housing Rehabilitation Specifications.
- D.** City of Hollywood Landscape Manual.
- E.** 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.

## **III. 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.

## **IV. 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.

## **V. Eligibility Criteria**

### **A. 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.

#### **B. Applicant Eligibility**

1. 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.
2. 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.
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, shall own and occupy the property, and shall comply with all program terms and conditions.
5. Applicant(s) shall be current on all secured mortgage(s), and property taxes at the time of application.

#### **C. Property Eligibility**

1. Owner-occupied, detached, single family homes, townhomes, and condominiums are eligible properties types. Mobile homes, multiple dwelling units and co-operatives are not eligible.
2. The property in need of repair must be located within the LMI Areas defined in the ILA.
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 the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
5. 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.
6. The maximum amount of financial assistance for eligible repair items shall not exceed \$40,000.00 per unit.

#### **D. Financial Terms**

1. 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.

2. 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 1/10<sup>th</sup> of the City's total investment.
3. 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 1/10<sup>th</sup> 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.
4. 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.

## **VI. Investment Security and Limitations**

- A. Property taxes shall be current at the time of application.
- B. 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.
- C. 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.

## **VII. 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.

### **A. 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.

## **B. 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.

## **C. 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.

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## **SINGLE FAMILY RENTAL REHABILITATION**

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### **I. 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 walk-ways
- 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).

## **II. Standards**

The standards for Single Family Rental Rehabilitation are:

- A. Florida Building Code, as amended from time to time.
- B. Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- C. Department of Housing and Urban Development (HUD) Housing Quality Standards (HQS).
- D. City of Hollywood Housing Rehabilitation Specifications.
- E. City of Hollywood Landscape Manual.
- F. 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.

## **III. 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.

## **IV. 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.



## **V. Eligibility Criteria**

### **A. 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.

### **B. Applicant Eligibility**

1. Applicant(s) must have a current Local Business Tax Receipt from the City of Hollywood relative to the subject property folio number.
2. 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.
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, shall own the property, and shall comply with all program terms and conditions, including but not limited to rent restrictions.
5. Applicant(s) shall be current on all secured mortgage(s) and property taxes at the time of application.

### **C. Property Eligibility**

1. Detached, single-family rental homes, townhouses, and condominiums. Mobil homes, multiple dwelling units and co-operatives are not eligible.
2. The property in need of repair must be located within the LMI Areas defined in the ILA.
3. The property shall conform to City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
4. 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.
5. 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 the occupant(s) in accordance with the "Comprehensive Rental Rehabilitation Program".

## **D. Financial Terms**

1. “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. Prior to the maturity date, the City shall offer the owner the option to refinance with the existing terms and conditions, provided the owner has not defaulted on any of the terms or conditions set forth in the Declaration of Restrictive Covenants. The Property Owner is under no obligation to refinance the loan. 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.

## **VI. Investment Security and Limitations**

- A. Property taxes shall be current at the time of application.
- B. 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.
- C. 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.

## **VII. 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.

**A. 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.

**B. 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.

**C. Assumption of Lien**

When a rental 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 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 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 necessary to maintain housing affordability.

## **VIII. Rent Restrictions**

### **A. 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.

### **B. 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.

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## MULTI-FAMILY RENTAL REHABILITATION

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### I. 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 walk-ways

- 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 corrects actual or potential hazards to the health, safety and welfare of the occupant(s).

## **II. Standards**

The standards for Multi-Family Rental Rehabilitation are:

- A.** Florida Building Code, as amended from time to time.
- B.** Hollywood Code of Ordinances and Hollywood Zoning & Land Development Regulations, as amended from time to time.
- C.** Department of Housing and Urban Development (HUD) Housing Quality Standards (HQS)
- D.** City of Hollywood Housing Rehabilitation Specifications.
- E.** City of Hollywood Landscape Manual.
- F.** 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.

## **III. 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.

#### **IV. 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.

#### **V. Eligibility Criteria**

##### **A. 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.

##### **B. Applicant Eligibility**

1. Applicant(s) must have a current Local Business Tax Receipt from the City of Hollywood relative to the subject property folio number.
2. 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.
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, shall own the property, and shall comply with all program terms and conditions, including, but not limited to applicable rent restrictions.
5. Applicant(s) shall be current on all secured mortgage(s) and property taxes at the time of application.

##### **C. Property Eligibility**

1. 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 and co-operatives are not eligible.
2. The property in need of repair must be located within the LMI Areas defined in the ILA.
3. The property shall conform to City of Hollywood’s Zoning and Land Development Regulations regarding the use and density permitted.



4. 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.
5. 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".

#### **D. Financial Terms**

1. "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. Prior to the maturity date, the City shall offer the Property Owner the option to refinance with the existing terms and conditions, provided owner has not defaulted on any of the terms or conditions set forth in the Declaration of Restrictive Covenants. At maturity the owner is under no obligation to refinance the loan. 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.

#### **VI. Investment Security and Limitations**

- A. Property taxes shall be current at the time of application.
- B. 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.

- C. 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.

## **VII. 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.

### **A. Refinancing Requests and Subordination**

Under the terms and conditions of the City's Lien and Personal Guarantee, 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 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.

### **B. 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.

### **C. 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

qualifies under 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.

## **VIII. Rent Restrictions**

### **A. 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.

### **B. 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 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.

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## **FIRST-TIME HOMEBUYER PURCHASE ASSISTANCE PROGRAM**

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### **I. 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:

- 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.
- A single, divorced parent who has only owned a residential dwelling with a former spouse while married.
- 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.
- An individual who has only owned a primary residence not permanently affixed to a permanent foundation.

## **II. 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.

## **III. Eligibility Criteria**

### **A. 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.

### **B. Applicant Eligibility**

1. 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.
2. While no minimum income is required, the applicant must have sufficient income to repay debt and maintain the housing unit.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.

8. 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.

### **C. Property Eligibility**

1. 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.
2. The property being purchased shall be located within the LMI Areas defined in the ILA.
3. 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.
4. The property being purchased shall conform to the City of Hollywood's Zoning and Land Development Regulations regarding the use and density permitted.
5. 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.

### **D. Financial Terms**

1. 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).
2. 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 35%, 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.
3. 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.

4. 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 1/15<sup>th</sup> of the City's total investment.
5. 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 1/15<sup>th</sup> 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.
6. 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.

#### **IV. 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.

#### **V. 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.

##### **A. 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.



## **B. 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.

## **C. 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.

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