

**AGREEMENT BETWEEN BROWARD COUNTY AND CITY OF HOLLYWOOD PROVIDING  
FOR ADMINISTRATION OF FUNDS FOR FIRST-TIME HOMEBUYER PURCHASE  
ASSISTANCE PROGRAM**

This Agreement ("Agreement") is made and entered by and between Broward County, a political subdivision of the State of Florida ("County"), and City of Hollywood, Florida, a municipal corporation of the State of Florida ("City") (collectively referred to as the "Parties").

**RECITALS**

A. On October 3, 2018, an Interlocal Agreement ("ILA") was executed among Broward County, the City of Hollywood, and the Hollywood Community Redevelopment Agency regarding funding for affordable housing.

B. On February 20, 2019, the Hollywood City Commission passed and adopted Resolution No. R-2019-030 approving a First-Time Homebuyer Purchase Assistance Program supported by ILA funds.

C. County successfully administers a Homebuyer Purchase Assistance Program for its own residents.

D. City desires to utilize ILA funds to engage County to administer a First-Time Homebuyer Purchase Assistance Program on behalf of City.

E. City desires to utilize ILA funds to engage County to provide Income Certification and Closing Coordination Services related to the disposition by City of two (2) City-owned homes located at 550 North 66<sup>th</sup> Terrace and 2323 Cleveland Street.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE 1. DEFINITIONS**

1.1 Board means the Board of County Commissioners of Broward County, Florida.

1.2 Contract Administrator means the Director of Housing Finance and Community Redevelopment Division, or such other person designated by same in writing.

1.3 Project means the City's First-Time Homebuyer Purchase Assistance Program and Income Certification and Closing Coordination Services related to the disposition by City of two (2) City-owned homes described in the attached Exhibit A.

1.4 Project Funds means the City's funds administered by County on behalf of City in accordance with this Agreement, as set forth in Exhibit B.

## **ARTICLE 2. SCOPE OF SERVICES**

2.1 County shall administer the City's Project to provide First-Time Homebuyer Assistance to eligible homebuyers in accordance with the specifications outlined in Exhibit A, Project Description.

2.2 County shall meet with City at reasonable times and with reasonable notice to discuss the Project.

2.3 County shall provide City with quarterly progress reports, in substantially the form set forth in the attached Exhibit C, Quarterly Report/Invoice. The Parties must cooperate in the preparation of any and all reports required under this Agreement, or as may be required by City or County.

## **ARTICLE 3. FUNDING**

3.1 The maximum amount of funds to be administered for the Project under this Agreement is set forth in the attached Exhibit B, Costs/Budget for Project, and includes a fee of \$139,996.50 payable to County ("Administration Fee").

3.2 County shall submit invoices to City, in substantially the form set forth in Exhibit C, to be reimbursed for "Direct Client Service Expenditures" and "Administration Fee" as defined in Exhibit B, Costs/Budget for Project. City shall remit payment to County within thirty (30) days after receiving an invoice.

3.3 County shall ensure that the conditional grant terms, including affordability restrictions as set forth in Exhibit A and Exhibit D, are enforced by requiring that each eligible grant recipient receiving homebuyer assistance execute a mortgage and promissory note in favor of City, and a Declaration of Restrictions and Covenants which shall be recorded in the Public Records of Broward County, Florida, with a copy provided to City.

## **ARTICLE 4. LIABILITY**

The Parties are public entities subject to Section 768.28, Florida Statutes, and agree to be fully responsible for acts and omissions of their agents or employees to the extent permitted by law. Nothing herein is intended to serve as a waiver of sovereign immunity by any party to which sovereign immunity may be applicable. Nothing herein shall be construed as consent by a state agency or political subdivision of the State of Florida to be sued by third parties in any matter arising out of this Agreement or any other contract.

## **ARTICLE 5. INSURANCE**

Each party acknowledges, without waiving its right of sovereign immunity as provided by Section 768.28, Florida Statutes that each party is self-insured for general liability in accordance with Florida Statutes with coverage limits of \$200,000 per person and \$300,000 per occurrence, or

such monetary wavier limits that may change and be set forth by the legislature. Each party further acknowledges to maintain General Liability Insurance, with limits of liability not less than \$1,000,000 Combined Single Limits solely for any liability resulting from entry of a claims-bill pursuant to Section 768.28(5) Florida Statutes, or liability imposed pursuant to Federal Law.

Self-insured worker's Compensation Insurance with Florida statutory benefits in accordance with Chapter 440, Florida Statutes including Employer's Liability limits not less than \$500,000/\$500,000/\$500,000 (each accident/disease-each employee/disease-policy limit).

Self-insurance and/or insurance requirements shall not relieve or limit the liability of either party, except to the extent provided by Florida Statute, Section 768.28. Both parties reserve the right to require other insurance coverage that both parties deem mutually necessary depending upon the risk of loss and exposure to liability, subject to each party's Commission or Board approval, if necessary.

Upon execution of this Agreement, each party shall submit to the other, copies of its certificate(s) of insurance or self-insurance evidencing the required coverage.

No activities under this Agreement shall commence until the required proof of self-insurance and/or certificates of insurance have been received and approved by the Risk Managers of each party.

## **ARTICLE 6. TERM OF AGREEMENT**

6.1. The term of this Agreement shall begin on the date it is fully executed by the Parties, and shall end on the later of (a) two (2) years after full execution of this Agreement by the Parties, or (b) the date the Project Funds are fully disbursed, unless terminated earlier or extended pursuant to the terms of this Agreement. Either party may submit a written request for an extension to the term of this Agreement to the other party no less than ninety (90) days prior to the expiration date. If the Parties mutually agree to an extension of the term of this Agreement, the Parties shall enter into an amendment as provided in Section 10.11. The Broward County Administrator or such other person designated by same in writing is authorized to execute all extensions of this Agreement.

6.2 Time is of the essence in performing the duties, obligations, and responsibilities required by this Agreement.

## **ARTICLE 7. TERMINATION**

7.1 . This Agreement may be terminated for cause by the aggrieved party if the party in breach has not corrected the breach within ten (10) days after receipt of written notice from the aggrieved party identifying the breach. This Agreement may also be terminated for convenience

by either party. Termination for convenience by either party shall be effective on the termination date stated in written notice provided by such party, which termination date shall be not less than 30 days after the date of such written notice. This Agreement may also be terminated by the Broward County Administrator upon such notice as the Broward County Administrator deems appropriate under the circumstances in the event the Broward County Administrator determines that termination is necessary to protect the public health, safety, or welfare. If County erroneously, improperly, or unjustifiably terminates for cause, such termination shall be deemed a termination for convenience and shall be effective thirty (30) days after such notice of termination for cause is provided.

7.2 Notice of termination of this Agreement shall be provided in accordance with the "NOTICES" section of this Agreement except that notice of termination by the Broward County Administrator, which the Broward County Administrator deems necessary to protect the public health, safety, or welfare, may be verbal notice that shall be promptly confirmed in writing in accordance with the "NOTICES" section of this Agreement.

7.3 City shall be liable for reimbursement, in accordance with Article 3 and Exhibit B for any Direct Client Service Expenditures made by County, and for any Administration Fee due in connection with such Direct Client Service Expenditures, prior to the expiration or earlier termination of this Agreement.

#### **ARTICLE 8. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE**

No party to this Agreement may discriminate on the basis of race, color, sex, religion, national origin, disability, age, marital status, political affiliation, sexual orientation, pregnancy, or gender identity and expression in the performance of this Agreement.

#### **ARTICLE 9. NOTICES**

In order for a notice to a party to be effective under this Agreement, notice must be sent via U.S. first-class mail, hand delivery, or commercial overnight delivery, each with a contemporaneous copy via e-mail, to the addresses listed below and shall be effective upon mailing or hand delivery (provided the contemporaneous e-mail is also sent). The addresses for notice shall remain as set forth in this section unless and until changed by providing notice of such change in accordance with the provisions of this section. All documentation or payments required to be provided under this Agreement shall also be made at the address provided in this section.

For County:

Ralph Stone, Director  
Broward County Housing Finance  
and Community Redevelopment Division  
110 N.E. 3rd Street -Third Floor

For City:

Dr. Wazir A. Ishmael, City Manager  
City of Hollywood  
2600 Hollywood Boulevard, Room 419  
Hollywood, Florida 33022-9045

Fort Lauderdale, Florida 33301  
E-mail address: rstone@broward.org

E-mail address: wishmael@hollywoodfl.org

By Copy to:  
Douglas R. Gonzales, City Attorney  
City of Hollywood  
2600 Hollywood Boulevard, Room 407  
Hollywood, Florida 33022-9045  
E-Mail address:  
dgonzales@hollywoodfl.org

## **ARTICLE 10. MISCELLANEOUS**

10.1 Public Records. Each party shall comply with all applicable requirements of Chapter 119, Florida Statutes, including the requirements of Section 119.0701.

10.2 Independent Contractor. County is an independent contractor under this Agreement, and nothing in this Agreement shall constitute or create a partnership, joint venture, or any other relationship between the Parties. In administering the Project Funds under this Agreement, neither County nor its agents shall act as officers, employees, or agents of City. County shall not have the right to bind City to any obligation not expressly undertaken by City under this Agreement.

10.3 Third-Party Beneficiaries. Neither City nor County intends to directly or substantially benefit a third party by this Agreement. Therefore, the Parties acknowledge that there are no third-party beneficiaries to this Agreement and that no third party shall be entitled to assert a right or claim against either of them based upon this Agreement.

10.4 Representation of Authority. Each party represents and warrants that this Agreement constitutes the legal, valid, binding, and enforceable obligation of such party, and that neither the execution nor performance of this Agreement constitutes a breach of any agreement that such party has with any third party or violates any law, rule, regulation, or duty arising in law or equity applicable to such party. Each party further represents and warrants that execution of this Agreement is within such party's legal powers, and each individual executing this Agreement on behalf of such party is duly authorized by all necessary and appropriate action to do so on behalf of such party and does so with full legal authority.

10.5 Compliance with Laws. In performing its duties, responsibilities, and obligations under this Agreement, County and City must comply with all applicable federal, state, and local laws, codes, ordinances, rules, and regulations, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101, Section 504 of the Rehabilitation Act of 1973, and any related federal, state, or local laws, rules, and regulations.

10.6 Severability. In the event any part of this Agreement is found to be unenforceable by any court of competent jurisdiction, that part shall be deemed severed from this Agreement and the balance of this Agreement shall remain in full force and effect.

10.7 Joint Preparation. This Agreement has been jointly prepared by the Parties, and shall not be construed more strictly against either party.

10.8 Interpretation. The titles and headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as "herein," "hereof," "hereunder," and "hereinafter" refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a section or article of this Agreement, such reference is to the section or article as a whole, including all of the subsections of such section, unless the reference is made to a particular subsection or subparagraph of such section or article. Any reference to "days" means calendar days, unless otherwise expressly stated.

10.9 Priority of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any document or exhibit attached to, referenced by, or incorporated in this Agreement and any provision of Articles 1 through 11 of this Agreement, the provisions contained in Articles 1 through 11 shall prevail and be given effect.

10.10 Law. Jurisdiction. Venue. Waiver of Jury Trial. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. The exclusive venue for any lawsuit arising from, related to, or in connection with this Agreement shall be in the state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida. If any claim arising from, related to, or in connection with this Agreement must be litigated in federal court, the exclusive venue for any such lawsuit shall be in the United States District Court or United States Bankruptcy Court for the Southern District of Florida. **BY ENTERING INTO THIS AGREEMENT, CITY AND COUNTY HEREBY EXPRESSLY WAIVE ANY RIGHTS EITHER PARTY MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO THIS AGREEMENT.**

10.11 Amendments. No modification, amendment, or alteration in the terms or conditions contained in this Agreement shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by duly authorized representatives of County and City.

10.12 Prior Agreements. This Agreement represents the final and complete understanding of the Parties regarding the subject matter and supersedes all prior and contemporaneous negotiations and discussions regarding that subject matter. There is no commitment, agreement, or understanding concerning the subject matter of this Agreement that is not contained in this written document.

10.13 Incorporation by Reference. Any and all recital clauses stated above are true and correct and are incorporated in this Agreement by reference. The attached exhibits are incorporated into and made a part of this Agreement.

10.14 Force Majeure. If the performance of this Agreement, or any obligation hereunder is prevented by reason of hurricane, earthquake, or other casualty caused by nature, or by labor strike, war, or by a law, order, proclamation, regulation, or an ordinance of any governmental agency, the party so affected, upon giving prompt notice to the other party, shall be excused from such performance to the extent of such prevention, provided that the party so affected shall first have taken reasonable steps to avoid and remove such cause of nonperformance and shall continue to take reasonable steps to avoid and remove such cause, and shall promptly notify the other party in writing and resume performance hereunder whenever such causes are removed; provided, however, that if such nonperformance exceeds sixty (60) days, the party that is not prevented from performance by the force majeure event shall have the right to terminate this Agreement upon written notice to the party so affected. This section shall not supersede or prevent the exercise of any right the Parties may otherwise have to terminate this Agreement.

10.15 Use of County Logo. City shall not use County's name, logo, or otherwise refer to this Agreement in any marketing or publicity materials without the prior written consent of County.

10.16 Designated Representative. City's designated representative under this Agreement is Anthony Grisby, Community Development Program Administrator.

10.17 County's designated representative under this Agreement is the Contract Administrator. The primary responsibilities of the Contract Administrator are to coordinate and communicate with City's designated representative to manage and supervise execution and completion of the Project and the terms and conditions of this Agreement as set forth herein. In the administration of this Agreement, as contrasted with matters of policy, the Parties may rely on the instructions or determinations made by the Contract Administrator; provided, however, that such instructions and determinations do not change the Project.

10.18 Counterparts and Multiple Originals. This Agreement may be executed in multiple originals, and may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

10.19 Assignment. Neither this Agreement nor any right or interest in it may be assigned, transferred, subcontracted, or encumbered by either party without the prior written consent of the other party.

IN WITNESS THEREOF, the Parties have made and executed this Agreement: BROWARD COUNTY, through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Mayor, or Vice Mayor authorized to execute same by action of the Board on the \_\_\_\_ day of \_\_\_\_\_, 2019 (Agenda Item No. (\_\_\_\_)), and CITY OF HOLLYWOOD, signing by and through its Mayor or Vice Mayor, duly authorized to execute same.

COUNTY

ATTEST:

\_\_\_\_\_  
Broward County Administrator, as  
ex officio Clerk of the Broward County  
Board of County Commissioners

BROWARD COUNTY, by and through  
its Board of County Commissioners

By: \_\_\_\_\_  
Mayor

\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Approved as to form by  
Andrew J. Meyers  
Broward County Attorney  
Governmental Center, Suite 423  
115 South Andrews Avenue  
Fort Lauderdale, Florida 33301  
Telephone: (954) 357-7600  
Telecopier: (954) 357-7641

By: \_\_\_\_\_  
Alicia C. Lobeiras (Date)  
Assistant County Attorney

By: \_\_\_\_\_  
Annika E. Ashton (Date)  
Deputy County Attorney



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FOR ADMINISTRATION OF FUNDS FOR FIRST-TIME HOMEBUYER PURCHASE  
ASSISTANCE PROGRAM**

CITY

ATTEST:

\_\_\_\_\_  
PATRICIA A. CERNY, MMC, CITY CLERK

\_\_\_\_\_  
JOSH LEVY, MAYOR

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY for the use and reliance of  
the City of Hollywood, Florida, only.

\_\_\_\_\_  
DOUGLAS R. GONZALES, CITY ATTORNEY

## **EXHIBIT A**

### **Project Description**

#### **1. First-Time Homebuyer Purchase Assistance Program**

Description: County will implement City's Project as outlined below and in the attached Exhibit "D" (Program Policy), as amended from time to time, utilizing Project Funds.

The Project will assist a minimum of 27 eligible, first-time homebuyers with a deferred-payment, Conditional Grant to be applied toward the cost of purchasing existing or newly-constructed, eligible affordable housing located in City, in a maximum principal amount of \$50,000.00 per eligible homebuyer. Eligible costs shall include direct purchase assistance, down payment, closing costs, mortgage principal reduction, interest rate buy-down, and such other costs which are considered eligible.

County will administer, operate and monitor the program, including but not limited to the following tasks:

- Prepare and update, as needed, a calendar of events and important dates for the Project such as eligibility window, application due dates, and audit dates.
- Establish and maintain a file system, administrative and bookkeeping requirements, and coordinate purchasing and check requests for audit compliance.
- Manage and supervise day-to-day operation of the Project Monitor, monitor Project activities and prepare monthly progress reports.
- Process loans/grants associated with the applicable Project-funded activities.
- Prepare appropriate documents, including but not limited to applications, compliance check lists and certifications, as required.
- Conduct income certifications, including but not limited to reviewing applicant files in order to complete such certifications.
- Coordinate responses to inquiries from City's residents about the Project and funding activities.
- Attend appropriate meetings and handle phone calls with applicants, property owners, lenders, and City staff, as reasonably requested.
- Ensure that the funds are expended in a timely manner.

City will be responsible for advertising and marketing the Project and for the disbursement of Project Funds to County in accordance with the Agreement.

Eligible Homebuyers: Household Gross Annual Income not to exceed 120% of Area Median Income (AMI), as adjusted annually, and certified by Broward County.

- The homebuyer must qualify and obtain a first mortgage that meets Project's guidelines.
- The homebuyer must meet the Project's definition of First-Time Home Buyer contained in applicable Policy.

## **EXHIBIT A**

### **Project Description (cont.)**

#### **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, as depicted in Exhibit "E".
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 periodically published by the Florida Housing Finance Agency

#### **2. Income Certification and Closing Coordination for Two (2) Specific Properties**

Description: County shall provide Income Certification and Closing Coordination Services related to the disposition by City of two (2) City-owned properties to first-time homebuyers whose household income does not exceed 80% of the Area Median Income (AMI) adjusted for family size. A First-time Homebuyer is defined as an individual that 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.

Eligible Homebuyers: Household Gross Annual Income not to exceed 80% of AMI, as adjusted annually, and certified by Broward County; the homebuyer must qualify and obtain a first mortgage that meets the "Financial Terms" of the First-time Homebuyer Purchase Assistance Program contained in Exhibit D.

#### **Eligible Properties:**

- 1) 550 North 66<sup>th</sup> Terrace, legally described as Boulevard Heights Sec 6 49-19 B Lot 10 Blk 13;
- 2) 2323 Cleveland Street, legally described as Hollywood Park 4-19 B Lot 6 Blk 28.

## Imbedded Subsidy

In order to make the subject properties affordable for LMI persons, City shall make available an imbedded State Housing Initiative Partnership (SHIP) 30-year Deferred-Payment Loan ("DPL") not to exceed \$70,000.00 secured by Mortgage and Promissory Note in a form supplied by the City. Eligible costs shall include direct purchase assistance, down payment, mortgage principal reduction, interest rate buy-down, and such other costs which are considered eligible.

## Terms of the DPL

The loan is payable in full on the maturity date of the Promissory Note. The maturity date of the Promissory Note shall be 30 years from the date of closing. Approximately 30 days prior to the maturity, date City shall offer the mortgagor a refinance option under the same terms and conditions, including maximum SHIP income eligibility, provided mortgagor has not defaulted on any terms and conditions set forth in the mortgage.

County will administer and monitor the project, including but not limited to the following tasks:

- Establish and maintain a file system, administrative and bookkeeping requirements, and coordinate purchasing and check requests for audit compliance.
- Process DPL's associated with the disposition of the subject properties.
- Prepare appropriate documents, including but not limited to applications, compliance check lists and certifications, as required.
- Conduct income certifications, including but not limited to reviewing applicant files necessary to complete such certifications.

City is responsible for advertising and marketing the subject properties.

**EXHIBIT B**  
**Costs/Budget for Project**

<b>Funding Source</b>	<b>Project</b>	<b>Budget</b>
Hollywood ILA Funds	First-Time Home Buyer Purchase Assistance	\$1,399,965.00
City General Fund	Administration	\$ 139,996.50
Total		\$1,539,961.50

The maximum amount of Project Funds to be administered under the Agreement is \$1,539,961.50, comprised of:

- a. Direct Client Service Expenditures: \$1,399,965.00 in Project Funds are allocated for purchase assistance to assist a minimum of 27 eligible homebuyers with home ownership activities, including but not limited to down payment assistance, closing costs, and principal write down.
- b. Administration Fee: A total amount not to exceed \$139,996.50 in Project Funds will be paid to County for administration of the Project, based on quarterly invoicing.

## EXHIBIT C

### Quarterly Report / Invoice

#### Status of Outstanding Work

Activity	Count
<b>Housing Counseling</b> – Number of persons directed to a Housing Counseling Agency	
<b>Income Certifications in Process</b> – Number of clients in the Income Certification Process	
<b>Ineligible</b> – Number of clients who were deemed ineligible due to their income.	
<b>Income Certifications Complete</b> – Number of clients who have completed the income certification process.	
<b>Clients with Closing Dates</b> – Number of clients who have identified a first lender and established a closing date.	
<b>Home Purchases Complete</b>	

#### Progress of Projects - First-Time Homebuyer Purchase Assistance Program (A1)

Number of Home Purchases Completed	Project Goal	Percentage of Completion
	27	

#### Progress of Projects - Income Certification and Closing Coordination (A2)

City Owned Properties	Status
550 North 66 <sup>th</sup> Terrace	
2323 Cleveland Street	

#### Direct Client Services Payment Totals

Client Name	Address	Closing Date	Direct Client Serv. Expenditure

Quarterly Administrative Payment Requested      \$17,500

\$ \_\_\_\_\_

(Attach Closing Settlement Statement, Mortgage and Note related to each Home Purchase Direct Client Services payment request)

\_\_\_\_\_  
 Ralph Stone, Director  
 Broward County Housing Finance and Community  
 Redevelopment Division

\_\_\_\_\_  
 Date

**EXHIBIT D**

**FIRST-TIME HOMEBUYER PURCHASE ASSISTANCE PROGRAM POLICY (EXCERPT)**

**Pages 28-31**



### **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:

- A. 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.
- B. A single, divorced parent who has only owned a residential dwelling with a former spouse while married.
- C. 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.
- D. 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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## EXHIBIT E

