

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: December 16, 2019

File: BIS 20-053

File: TMP-2019-811

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING THE SECOND AMENDMENT TO THE ADMINISTRATIVE POLICIES GOVERNING AFFORDABLE HOUSING PROGRAMS FUNDED PURSUANT TO THE INTERLOCAL AGREEMENT AMONG BROWARD COUNTY, THE CITY OF HOLLYWOOD AND THE HOLLYWOOD COMMUNITY REDEVELOPMENT AGENCY TO INCORPORATE ADDITIONAL AFFORDABLE HOUSING INITIATIVES.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution approves the second amendment to the administrative policies governing affordable housing programs funded by the Broward County ILA. Major changes include revisions to the Multi-Unit Acquisition Program and the creation of the Work Skills Training Scholarship Program.

Acquisition with Rehabilitation Multi-Unit Housing – Homeownership

The Multi-Unit Acquisition with Rehabilitation - Homeownership Program allows for the purchase and rehabilitation of property with two or more units in low- and moderate-income areas. Financial assistance will be in the form of a 0% interest, deferred-payment loan to acquire and rehabilitate properties for future sale. The maximum amount of financial assistance for non-profit developers shall not exceed the lesser of \$500,000.00 or \$125,000.00 per unit for townhomes and condominiums. The developer must rehab and sell the property to an end-buyer within one year

For end-buyers, financial assistance will only be provided to keep housing expenses affordable and to meet lender underwriting standards, closing costs and down payment expenses. The maximum amount of financial assistance available to end-buyers is \$50,000.00.

Homebuyer assistance will be in the form of a Conditional Grant which requires the homebuyer to maintain the home as a primary residence and as an affordable housing unit for at least ten years. This affordability period will be secured by a security instrument such as a City lien. The lien will reduce annually by 1/10th of the City's total investment. If the home is sold, rented or ceases to be the primary residence of the beneficiary, the City lien is immediately due and payable. If the property is sold as part of a Community Land Trust transaction, the lien may be assumed by the purchaser.

Acquisition with Rehabilitation Multi-Unit Housing – Rental Occupancy

The Multi-Unit Acquisition with Rehabilitation – Rental Occupancy Program would allow for the purchase and rehabilitation of property with two or more units in low- and moderate-income areas. Financial assistance will be in the form of a 0% interest loan with a 30-year term to acquire and rehabilitate properties to produce affordable rental units for eligible participants. The Developer/Landlord must maintain the property as an affordable housing unit for 30 years. The total amount contributed by the City is due if the property is sold or transferred during the Affordability Period. The maximum amount of financial assistance, including acquisition cost, rehabilitation and developer fees shall not exceed the lesser of \$1,000,000.00 or \$125,000.00 per unit.

Work Skills Training Scholarship Program

The City will provide scholarships of \$5,000 or less per pupil annually for training through preferred provider training partners that would allow residents to gain new skills that could assist in obtaining employment and apprenticeship opportunities. The City will enter into Memorandums of Understanding with each training partner that will outline specific programs, associated costs and terms and conditions.

The City Commission approved resolution R-2019-125 on May 15, 2019 which recognized and allocated ILA revenue of approximately \$9.8 million to support affordable housing programs. To date, \$6.3 million in revenue has been collected and \$3.5 million is still pending payment from Broward County for FY 2018 and FY 2019.

Funding for the Multi-Unit Acquisition Rehabilitation Program will be available in account number 111.160502.51900.592293.001247.000.000 and funding for the Work Skills Training Scholarship Program will be available in account number 111.160502.51900.583234.001247.000.000.

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