



Legislation Details (With Text)

File #: R-2019-227 **Version:** 1 **Name:** Purchase Assistance Program Agreement
Type: Resolution **Status:** Passed
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On agenda: 8/28/2019 **Final action:** 8/28/2019
Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Execution Of An Agreement With Broward County For The Administration Of The City's First-Time Homebuyer Purchase Assistance Program In An Amount Not To Exceed \$139,965.50.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Reso Purchase Assistance Program Agreement_FINAL, 2. Purchase Assistance Program 2019 Agreement (2), 3. TermSheetBrowardCountyPurchaseAssistanceProgramAg2019.pdf, 4. BIS 19242.pdf

Date	Ver.	Action By	Action	Result
8/28/2019	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Execution Of An Agreement With Broward County For The Administration Of The City's First-Time Homebuyer Purchase Assistance Program In An Amount Not To Exceed \$139,965.50.

Staff Recommends: Approval of attached Resolution.

Explanation:

On February 20, 2019, the City Commission approved (R-2019-030) Administrative Policies governing new affordable housing programs funded pursuant to the Interlocal Agreement (ILA) among Broward County, the City and the Hollywood Community Redevelopment Agency. On April 17, 2019, the City Commission approved (R-2019-095) an amendment to the Administrative Policies to incorporate additional housing programs, including a First-Time Homebuyer Purchase Assistance Program. The following month, on May 15, 2019, the City Commission amended (No. R-2019-125) the 2019 Fiscal Year Operating Budget which allocated \$9,831,536.00 to ILA programs, including \$1,399,965.00 for Purchase Assistance for First-Time Homebuyers.

Broward County currently administers successful homebuyer purchase assistance programs and has offered to administer the City's Program for a total amount of \$1,539,961.50, inclusive of \$1,399,650.00 in Direct Client Service Expenditures allocated by the City for purchase assistance combined with an Administration Fee not to exceed \$139,965.50. The

scope of services includes administering the City's Program and providing Income Certification and Closing Coordination for Two Specific Properties - 550 N. 66th Terrace and 2323 Cleveland Street.

Staff believes it is in the City's Best Interest to have the County administer the City's First-Time Homebuyer Purchase Assistance Program because it will enable the program to be implemented more rapidly, as compared to conducting a formal solicitation. Additionally, the proposed Administration Fee of ten percent is less than anticipated, and it is also less than the percentage being charged other jurisdictions. Section 38.40(C)(8) of the Code of Ordinances provides that when the City Commission declares by a 5/7th vote that competitive bidding and competitive proposals are not in the Best Interest of the City, such purchases are exempt from the competitive bidding and competitive proposal requirements.

The initial term of the proposed Agreement is for two years, with an option to renew the Agreement for one additional two-year term under the same terms and conditions. The parties have further agreed that the County will fund Direct Client Service Expenditures for each real estate closing as the transactions occur and will invoice the City for these expenditures, along with the applicable Administration Fee on a quarterly basis. Qualified applicants for the City's First-Time Homebuyer Purchase Assistance Program will be identified and serviced separately from those participating in the County's homebuyer purchase assistance program, and from any similar program administered by the County on behalf of other jurisdictions.

Participants are eligible for financial assistance in an amount up to \$50,000.00 to ensure that their primary mortgage does not exceed 30% of their household income. Assistance will be provided in the form of a Conditional Grant to the buyer. A Declaration of Restrictions and Covenants will be recorded in the public record requiring assisted properties to be maintained by the owner as affordable housing for a period of 15 years (the Affordability Period). The City's investment will be secured by a Mortgage and Promissory Note.

The amount of the City Lien due at the end of the Affordability Period, or at any time the beneficiary seeks satisfaction or release of the City's investment supporting homebuyer purchase assistance, shall reflect a prorated reduction on an annual basis over the term of the Affordability Period.

Funding to support the cost of the proposed Agreement exists in account number 001.160502.51900.531170.000000.000.000.

Recommended for inclusion on the agenda by:

Clay Milan, Manager, Community Development Division

Shiv Newaldass, Director, Department of Development Services

Gus Zambrano, Assistant City Manager for Sustainable Development