



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	February 11, 2019		Item Type: (Enter X in box)	Resolution X	Ordinance	Other	
Fiscal Impact: (Enter X in box)	Yes	No	Ordinance Reading: (Enter X in box)	1st Reading		2nd Reading	
	x		Public Hearing: (Enter X in box)	Yes	No	Yes	No
Funding Source:	130-5910-583040		Advertising Requirement: (Enter X in box)	Yes		No	
						X	
Account Balance:	\$454,000		RFP/RFQ/Bid Number:	N/A			
Contract/P.O. Required: (Enter X in box)	Yes	No	Project Number:	56301			
	x						
Strategic Priority: (Enter X in box) Capital Improvements Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> Goal 2 - Promote Public/Public and Public/Private Partnership <input type="checkbox"/> Promote Projects with Large-Scale Impacts Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/> Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/> Priority Area: North West Quadrant <input type="checkbox"/> FEC Corridor <input type="checkbox"/> Southwest Quadrant <input type="checkbox"/> Northeast Quadrant <input type="checkbox"/> Southeast Quadrant <input type="checkbox"/>							
Sponsor Name:	Dr. Jeremy Earle, Executive Director		Department:	HBCRA			

Short Title:

A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA, APPROVING AN AMENDMENT TO THE FIRST TIME HOMEBUYER PROGRAM TO INCREASE DOWN PAYMENT ASSISTANCE SUBSIDY FROM \$50,000 TO UP TO \$80,000 TO ASSIST LOW TO MODERATE INCOME BUYERS IN THE PURCHASE OF A FIRST HOME; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE AMENDMENT TO THE FIRST TIME HOMEBUYER PROGRAM; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

The Hallandale Beach Community Redevelopment Agency (HBCRA) is dedicated to enhancing the quality of life of its residents. The HBCRA is committed to ensuring that safe, decent, and affordable homes are available to the residents of the City of Hallandale Beach.

There is an affordable housing crisis in our country. Affordable housing is defined as a situation in which the cost of the monthly rents or monthly mortgage payments including taxes, insurance and utilities do not exceed 35% of a household's adjusted gross monthly income. According to the June 2015 "Recommended Methodology for Supply & Demand Analysis for Broward County's Affordable Housing Market", the City of Hallandale Beach has a deficiency of 2,683 very low income affordable housing units. This includes rental and homeownership.

Over the last four years, the HBCRA, in an effort to provide affordable housing to combat the housing crisis, constructed and sold nineteen (19) Infill homes. An additional infill home is currently under construction and will be available for sale to another affordable housing buyer by mid-year of 2019. There were two phases of affordable housing construction. In Phase I, eight (8) infill homes were constructed and sold for a purchase price between \$135,000 to \$145,000. After the completion of Phase I, the HBCRA began Phase II of the infill housing program where eleven more homes were slated for construction. Ten of the eleven homes were completed and sold to affordable housing buyers. These homes were appraised between \$165,000 and \$185,000.

The current HBCRA First Time Homebuyer (FTHB) policy and program provides up to \$50,000 in down payment assistance for the purchase of a first home within the HBCRA. In the third quarter of 2018, the HBCRA sold its 19th infill home. This home

was appraised for \$260,000. The selling price of the home is on the edge of affordability for the area, and makes it difficult for potential applicants to be able to purchase a home with only a subsidy of \$50,000 from the CRA. For example, the average salary for a potential resident purchasing a home for \$260,000 would be approximately \$80,000.

It is important to note that the HBCRA is committed to increasing the tax base as well as providing affordable housing. Our infill homes are sold at appraised value, to maintain a high level of comps (property value) in the area, multiple layers of subsidies are usually required, or the house would no longer be affordable for low to moderate income buyers. Due to the escalating cost of houses in the housing market, many low to moderate income buyers are priced out of the market.

Current Situation:

The HBCRA, in addition to purchasing land and constructing homes, has made every effort to provide additional subsidies to low to moderate buyers for affordable housing units. More than two hundred (200) first time homebuyer applicants have received down payment assistance from the HBCRA to purchase a home since the inception of the program in the early 2000's. The HBCRA has budgeted \$500,000 for first time homebuyer's down payment assistance for which buyers can receive a maximum amount of \$50,000, however, based on the current housing market, the HBCRA will need to increase the FTHB subsidy in order to make housing affordable for low to moderate income residents. Some buyers may require up to \$80,000 in subsidy to satisfy the 30% income to housing ratio to make monthly payment manageable.

Recommendation:

Staff recommends that the Board of Directors authorize the HBCRA Executive Director to increase the FTHB Down Payment Assistance from \$50,000, up to \$80,000 to assist low to moderate income buyers in the purchase of a first home.

Why Action is Necessary:

The Policy for the First Time Homebuyer's Program, grants \$50,000 in subsidy, which was approved by the Board of Directors on February 20, 2018. The recommended increase of subsidy would be a change to the program, and requires the approval of the Board.

Fiscal Impact:

The current budget for this program is \$500,000. Since this is just a threshold increase, there will be no fiscal impact.

Attachment(s):

Exhibit 1 – Resolution

Exhibit 2 – HBCRA First Time Homebuyer Policy

Lovern Parks

Prepared by: Lovern Parks, Residential Program Manager



Reviewed by: Dr. Jeremy Earle, Executive Director/Assistant City Manager