



## Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

<b>Meeting Date:</b>	May 18, 2020		<b>File No.</b>	<b>Item Type:</b>	<b>Resolution</b>	<b>Other</b>		
			20-140	<i>(Enter X in box)</i>	<b>X</b>	<b>n/a</b>		
<b>Fiscal Impact:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <i>(Enter X in box)</i>		<b>1<sup>st</sup> Reading</b>		<b>2<sup>nd</sup> Reading</b>	
	<b>X</b>		<b>Public Hearing:</b> <i>(Enter X in box)</i>		<b>N/A</b>		<b>N/A</b>	
					<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
				<b>X</b>			<b>X</b>	
<b>Funding Source:</b>	<b>130-5910-583040</b>		<b>Advertising Requirement:</b> <i>(Enter X in box)</i>		<b>Yes</b>		<b>No</b>	
							<b>X</b>	
<b>Account Balance:</b>	<b>300,000</b>		<b>RFP/RFQ/Bid Number:</b>		<b>N/A</b>			
<b>Contract/P.O. Required:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Project Number:</b>		<b>C1517</b>			
	<b>X</b>							
<b>Strategic Priority:</b> <i>(Enter X in box)</i> <div style="margin-top: 10px;"> <b>Capital Improvements</b> <div style="margin-left: 20px;"> <b>Goal 1 - Undertake Total Improvements of Public Realm</b> <input type="checkbox"/> </div> <div style="margin-left: 20px;"> <b>Goal 2 - Promote Public/Public and Public/Private Partnership</b> <input type="checkbox"/> </div> </div> <div style="margin-top: 10px;"> <b>Promote Projects with Large-Scale Impacts</b> <div style="margin-left: 20px;"> <b>Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing</b> <input type="checkbox"/> </div> <div style="margin-left: 20px;"> <b>Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel</b> <input type="checkbox"/> </div> </div> <div style="margin-top: 10px;"> <b>Priority Area:</b> <div style="margin-left: 20px;"> <b>North West Quadrant</b> <input type="checkbox"/> </div> <div style="margin-left: 20px;"> <b>FEC Corridor</b> <input type="checkbox"/> </div> <div style="margin-left: 20px;"> <b>Southwest Quadrant</b> <input type="checkbox"/> </div> <div style="margin-left: 20px;"> <b>Northeast Quadrant</b> <input type="checkbox"/> </div> <div style="margin-left: 20px;"> <b>Southeast Quadrant</b> <input type="checkbox"/> </div> </div>								
<b>Sponsor Name:</b>	Dr. Jeremy Earle, Executive Director		<b>Department:</b>		HBCRA			

## **SHORT TITLE:**

**A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA, ESTABLISHING THE CORONAVIRUS NEIGHBORHOOD AND HOUSING STABILIZATION PROGRAM; ALLOCATING \$300,000 TO THE CORONAVIRUS NEIGHBORHOOD AND HOUSING STABILIZATION PROGRAM; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE CORONAVIRUS NEIGHBORHOOD AND HOUSING STABILIZATION PROGRAM; AND PROVIDING AN EFFECTIVE DATE.**

## **STAFF SUMMARY:**

### **Background:**

On March 9, 2020, the City of Hallandale Beach executed a declaration of emergency in response to the deadly Coronavirus/COVID-19 pandemic that had begun to sweep the globe. Since the period surrounding the emergency declaration by National, State, County, and Local government respectively, the virus has continued unabated, and the lives of those internationally, nationally and locally have been severely impacted. Thousands have died, stay at home orders, social distancing, self-isolation, and quarantine have become the buzzwords as cities have struggled to cope with the effects of the pandemic, and cities have been forced to shut down all non-essential businesses.

Due to stay at home orders, social distancing, and quarantine, many businesses have been forced to close or furlough employees. The economic impact on the businesses, due to COVID19, has a trickle- down effect on employees. Many of these individuals are living from pay-check to pay-check. Therefore, the loss of a paycheck puts these residents at risk of becoming food in-secured and homeless. Without a constant paycheck or reduction in income, some residents cannot pay the rent, make mortgage payment, or buy food to sustain their families.

The mission of the Hallandale Beach Community Redevelopment Agency (HBCRA) is to promote economic development and enhance the quality of life by eliminating and preventing blighted conditions through the facilitation of community partnerships, business growth, job creation, and neighborhood rehabilitation. The HBCRA understands that many families are facing tremendous amounts of economic hardships due to COVID-19.

For the past 24 years of its life, the HBCRA has spent millions of dollars on market rate housing, and affordable housing programs, which were designed to stabilize the community and provide housing opportunities for residents within the community redevelopment area (CRA). It is with a mind to protecting its significant investments within the community, that the HBCRA has undertaken all of its current residential programming efforts, and also its COVID-19 related affordable housing efforts.

The HBCRA realizes as more businesses close permanently, more of our residents will lose their jobs, residents will not be able to pay their mortgages, rents, and utility expenses, or have a means by which to support themselves and their families; and the slum and blighted conditions, which the HBCRA has worked hard to eliminate for over two decades, may resurface. If renters are unable to pay their rents, due to loss of income, then landlords will not be able to pay their

mortgages. If homeowners are not able to pay their mortgages, then foreclosures are imminent thus leading to abandoned properties, which leads to slum and blighted conditions.

### **National and State Declarations**

In order to stem the tide of a full economic collapse in our country, the Federal government, as well as the State of Florida has declared the Coronavirus/COVID-19 pandemic a national disaster. In order to mitigate the economic fallout from the closure of countless businesses across the nation, which has resulted in the loss of over 10 million jobs to date, The U.S. Congress approved, and the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act (Cares Act). Title IV of the Cares Act includes mortgage forbearance for borrowers with federally backed mortgages. Borrowers under this protection can request forbearance, from lenders, for up to 180 days for hardship due to COVID-19. They may even exercise the option for an additional 180 days. Borrowers without a federally backed mortgage do not have the same protection.

On April 2, 2020, Governor Ron DeSantis signed Executive Order Number 20-94 which imposes an eviction moratorium for forty-five (45) days or until May 17, 2020. The moratorium prevents landlords from evicting tenants for non-payment of rent and from filing new evictions until the moratorium lifts. The moratorium does not absolve tenants of rent due, the tenants are still responsible for the rent due to the landlord.

### **Current Situation:**

The Broward County Affordable Housing Assessment by Florida International University (FIU) found that Broward County is one of the most unaffordable places to live in the US. The study further revealed that the increasing cost of affordable rental units is severely impacting families who are already living in cost-burdened households (53.9%).

The average rental rate in Hallandale Beach is \$1,798 as of August 2019. The rental rate is twenty percent (20%) higher than it was in 2018 and appears to be on a continued incline according to rentcafe.com.

Data from the Environmental Systems Research Institute (ESRI) shows that the median monthly mortgage payment, in Hallandale Beach, is \$1,300.

The same study by FIU shows that the vast majority of Broward County workers earn wages in service sector occupations, including retail trade, leisure and hospitality, some of the industries severely impacted by COVID-19. The shuttering of these businesses would impact income to residents, in Hallandale Beach, who must pay rent, mortgage, and utility expenses.

In an effort to help residents affected by the COVID-19 pandemic, Florida Power and Light (FPL) has suspended electrical disconnection for its customers, through May 31, 2020. The suspension of the disconnection of utility service does not mean that the bill is not still due. Residents who have suffered either loss or reduction in income may not be able to make payments which are in arrears, as well as the current payment. The proposed program would provide assistance with making the payments more manageable for the resident for a brief period of time.

In an effort to address the serious danger of the CRA (76% of the City) reverting to a slum and blighted condition if aggressive actions are not taken to stabilize the economy as well as housing, the HBCRA has created **The Coronavirus Neighborhood and Housing Stabilization Program**. The program is a rental and mortgage assistance program, which is designed to assist families

unable to make rental, utility, and mortgage payments. The program period is from April 1<sup>st</sup> through September 30, 2020.

The program is comprised of three separate grants, all of which are available only to those residents living within the Hallandale Beach Community Redevelopment Area (CRA) in accordance with Florida Statute 163 Part III. Applicants can only select one of the three programs. The programs cannot be layered together. The three grants that comprise the program are as follows:

1. **COVID-19 Mortgage Assistance Program** - The Mortgage Assistance Program provides a grant to assist homeowners, who do not have a federally backed mortgage loan. The program would provide the homeowner with up to three months of mortgage payments. The maximum grant amount would not exceed \$3,900 over a period of three months.

The program would provide assistance to homeowners whose mortgage payment is delinquent due to loss of income or reduction of income due to the coronavirus. The homeowner would need to provide proof of delinquent loan status as well as a plan to make future payments after the assistance. The mortgage payment would be made, by wire, directly to the lender.

#### Eligible Participants

- Must reside within the CRA.
- Must be a resident in Hallandale Beach for at least one (1) year.
- Must have proof of that mortgage is in the arrears, due to the COVID-19, with a date of April 2020 or later.
- Must have proof of either loss or reduction of income.
- Must provide current mortgage statement.
- Must be a homesteaded/owner occupied property.
- Must have a non-federally backed conventional loan.

#### In-Eligible Applicants

- Applicants with reversed mortgage.
- Applicants with private loans.
- Investors.
- Private loans.

As a way to protect its previous investments, preference for this grant will be given to applicants who have participated in the HBCRA First-Time Homebuyer's or Neighborhood Improvement Programs.

Submitted applications will be selected by a lottery process with the exception of those who have previously received affordable housing funding from the HBCRA.

2. **COVID-19 Rental Assistance Program** - The COVID-19 Rental Assistance Program is a grant to assist renters unable to make rental payments due to either layoff or income reduction as a result of COVID19. The grant program provides funds for up to three months' rent (maximum grant \$3,900) to renters who have either loss or reduced income due to COVID-19 as of April 2020.

The program would provide assistance to renters whose rental payment is delinquent due to either loss of income or reduction of income due to the coronavirus. The renter would need to provide proof of delinquent notice. The rental payment would be made directly to the landlord, on behalf of the homeowner.

#### Eligible Participants

- Must reside within the CRA.
- Must be a resident in Hallandale Beach for at least six (6) months.
- Must have proof of late notice with a date of April 2020.
- Must have proof of either loss or reduction of income.
- Lease must be in the name of the applicant.
- Section-8 renters can receive assistance, but only for the portion payable by the applicant. Applicant must provide proof of inability to pay the non-subsidized portion.

Applicants with a delinquent CRA loan, prior to the COVID-19 pandemic, are not eligible to participate in this program.

### **3. COVID-19 Utility Assistance Program-**

The purpose of the COVID-19 Utility Assistant Program is to provide utility assistance for up to three (3) months, beginning with April 2020 mortgage and utility. The maximum assistance, per applicant, for this program is \$450. The program is only available to Hallandale Beach residents residing within the CRA boundaries, who have suffered a loss of income or have reduced income due to COVID-19.

#### **Eligibility Requirements**

- Must reside within the CRA.
- Must be a resident in Hallandale Beach for at least six (6) months.
- Must have proof of delinquent/late notice, due to covid-19, with a date of April 2020 or later.
- Must have proof of either loss or reduction of income.
- Utility bill (electric & water) must be in applicant's name.
- Funds cannot be used for cable or internet service.

Submitted applications for each program will be selected by a lottery process.

#### **Why Action is Necessary:**

The Hallandale Beach CRA Board of Directors sets the policies of the Community Redevelopment Agency. In order to address the extremely challenging times associated with the Coronavirus, including the closure of local businesses and the layoff of countless numbers of employees and residents of the CRA, Staff recommends that the HBCRA Board approve the overall Coronavirus Residential Rental and Mortgage Assistance Program. The new program consists of three components, the Rental Assistance Program with grant amounts up to \$3,900, the Mortgage Assistance Program with grant amount up to \$3,900, and Utility Assistance Program with grant amount up to \$450.

Additionally, due to the fact that the HBCRA Board of Directors only meets once a month, and the fact that rent and mortgage payments are due monthly and families need immediate financial help, Staff recommends that the HBCRA Board of Directors allow the HBCRA Executive Director to approve these grants in a total amount not to exceed \$300,000, so that funds can be provided to renters and homeowners as quickly as possible, rather than waiting for 30 days for the next HBCRA Board of Directors meeting.

In order to ensure greater transparency and accountability, at each HBCRA Board of Directors meeting Staff will provide an update on the number of residents served. Staff also recommends that the HBCRA Board of Directors authorize the HBCRA Executive Director to make changes to the program and application (excluding or including eligibility) on an as-needed basis as market conditions allow, due to the fluidity of the current economic and market conditions, which are occurring due to the pandemic.

**Fiscal Impact:**

Staff recommends allocating \$300,000 to this program.

**PROPOSED ACTION:**

The HBCRA Board of Directors approve the attached Resolution.

**ATTACHMENT(S):**

- Exhibit 1 – Resolution
- Exhibit 2 – Rental Assistance Application
- Exhibit 3 – Mortgage Assistance Application
- Exhibit 4 – Utility Assistance Application