



## OFFICE OF HOUSING & URBAN IMPROVEMENT

Miriam Carrillo, Office of Housing & Urban Improvement Director  
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### MEMORANDUM – 22-126

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**TO:** Mark Berman, City Attorney

**THROUGH:** Miriam Carrillo, OHUI Director

**FROM:** Alex Goldstein, Program Compliance Manager *AGA For MC*

**DATE:** April 19, 2022

**RE:** Resolution Request-Authorizing the Mayor or Vice Mayor, City Clerk and City Manager to execute on behalf of the City contracts for the purchase and/or sale of real property to be used for oncome restricted affordable housing, and authorizing the City Manager, or in his absence an Assistant City Manager, to execute on behalf of the City closing documents for the purchase and/or sale of real property to be used for income restricted affordable housing.

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The Office of Housing and Urban Improvement (OHUI) is requesting a Resolution be prepared Authorizing the Mayor or Vice Mayor, City Clerk and City Manager to execute on behalf of the City contracts for the purchase and/or sale of real property to be used for oncome restricted affordable housing, and authorizing the City Manager, or in his absence an Assistant City Manager, to execute on behalf of the City closing documents for the purchase and/or sale of real property to be used for income restricted affordable housing. This is consistent with our procedures for the Neighborhood Stabilization (NSP) program. See attached previously approved Resolutions #2010-106 (purchase) and #2011-103 (sale), 2009-305 (contracts for purchase) 2011-102 (contracts for sale).

OHUI is simply requesting that the same procedures used under the NSP program be extended to all other State, Local or Federal housing programs administered by OHUI. The programs include but are not limited to: The Affordable Housing Trust Fund Program (AHTF), American Rescue Plan Act (ARPA), Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME), State Housing Initiatives Partnership Program (SHIP), or any other future funding source that may become available to the City.

This resolution to delegate authority is necessary to expedite the current process. The need for expediency is greater now than ever before. The current housing market in South Florida is becoming increasingly more competitive as new residents, investors and developers continue to purchase property at an astounding rate. This current market is creating an affordable housing crisis for low-to- moderate income (LMI) Pompano Beach residents. LMI residents have seen their housing costs skyrocket, making housing in the area



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unaffordable to many. It is OHUI's goal to quickly and efficiently secure workforce housing for the City's most vulnerable populations.

In addition to expediting the purchasing process to remain competitive with current market conditions, OHUI must complete a great deal of due diligence within the time constraints set forth by the program to remain in compliance in order to sell the property. OHUI will take the following steps in preparation of the sale of an affordable housing property to a qualified buyer:

### **Sale of Affordable Housing Property - Homebuyer Eligibility**

1. **INTAKE INFO:** Applications will be received for the duration of the program. All applications received will be logged in the order received. Applications will be processed on a first-come, first-served basis, first-ready from all applicants meeting program eligibility criteria, subject to funding availability with priority given to the elderly and disabled homeowners. Applicants not funded will remain on a Waiting List and will receive priority in the next funding cycle. The Waiting List will be managed by the Program Administrator. It will only be opened for additional applications upon the approval of the Department Director or his/her designee.
2. **APPLICATION COMPLETE-BEGIN PROCESSING:** Application is completed and all supporting documentation received, Program Administrator Staff begins processing the application.
3. **WRITTEN REQUEST FOR ADDITIONAL INFORMATION:** As part of the process, Program Administrator staff will request additional information, if necessary, in situations where clarification or supplemental information is necessary.
4. **DETERMINE PRELIMINARY ELIGIBILITY:** All information obtained from the application and supporting documentation is reviewed by Program Administrator staff to determine client's eligibility or ineligibility to participate in the program.
5. **PRELIMINARY APPROVAL NOTIFICATION:** If qualified, applicant is sent a preliminary approval application.
6. **VERIFICATION OF APPLICATION INFORMATION:** Program Administrator staff sends third party verifications to all pertinent institutions and/or individuals as required by Federal and State guidelines. Information obtained in this manner is used to determine client's eligibility for assistance.
7. **CONFIRM PROGRAM ELIGIBILITY:** All information obtained from the application, supporting documentation and third-party verifications are reviewed by Program Administrator staff to determine client's eligibility or ineligibility to participate in the program.
8. **SUPERVISOR REVIEW:** The Program Administrator will provide the file with supporting documentation and complete Income Certification for review to the supervisor for approval or denial.
9. **NOTIFY APPLICANT IN WRITING:** Applicant is notified in writing by Department Director as to the results of the eligibility determination.





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- a. REJECTION LETTER: If client does not meet eligibility criteria, a rejection letter is sent by Department Director, notifying applicant of denial with an explanation.
- b. APPROVAL LETTER: If client meets eligibility criteria, an award letter is signed by Department Director and sent by Program Administrator, notifying applicant of eligibility.

### **Client Selection of Property**

10. HOME SELECTION: Approved client will be given ten (10) days from the date of their approval letter to select their AHT home.
11. SELECTION MEETING: Client will contact the Program Administrator to inform him/her of the home that they have selected. Program Administrator will review the client's file to determine if the home is within the price range of the client. The Program Administrator will contact the lender to ensure that the affordability requirement ratios are met.
12. FINANCE REVIEW AND APPROVAL: The Program Administrator sends an email to the Finance Department requesting confirmation that the determined price of the home meets the AHT criteria that the sales price does not exceed funds expended on the home.
13. CONTRACT APPROVAL: A contract for sale, including lead paint, title insurance and back up addendums will be prepared and sent to Department Director for approval.

### **Sale of Property**

14. CONTRACT EXECUTION: The Program Administrator schedules a meeting to secure client's signature on contract. After securing client signature (buyer), the Contract is routed by the Executive Secretary to secure signatures from the appropriate City officials – Mayor, City Manager, City Clerk and City Attorney (seller). Executed Contract is sent to Title Company and client's loan officer to initiate closing.
15. LIEN SEARCH: Program Administrator staff requests lien search from Building Department and forwards search to Title Company.
16. LENDER: Bank processes loan and sends information to the Title Company to process closing.
17. INSURANCE: Client is responsible for securing Homeowners insurance. This may include scheduling appropriate inspections required by insurance company. Housing Inspector will ensure that the home is available for inspection.
18. CLIENT INSPECTION: Applicant is given opportunity to review completed home with the OHUI Housing Inspector. At this time, the client inspects the home to determine if there are any outstanding issues that need correction before closing takes place and is given the opportunity to ask questions about the home. The Inspector reviews the location of fuse box, sprinkler system, etc. with client. Client signs Inspection form which includes verification of receipt of appliances for client file.



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19. TITLE COMPANY: Title Company prepares the closing documents including, but not limited to, the HUD1 and HUD1 addendum as well as title insurance and warranty deed. Title company sets closing date. HUD and other closing documents must be delivered to the CITY at least 48 hours in advance of closing.
20. CLOSING DOCUMENTS PREPARED: Based on the Closing Disclosure statement, Program Administrator prepares a 2<sup>nd</sup> Mortgage and Note, Lead Addendum and After Rehab Value Certification to be executed by the applicant(s).
21. CITY ATTORNEY: City Attorney's office reviews and approves Closing Disclosure Statements and closing documents.
22. CLOSING DOCUMENTS: Closing documents are routed to Department Director for final approval and signature from Mayor, City Manager, City Clerk and City Attorney (Warranty Deed) and Assistant City Manager (closing documents).
23. CLOSING: Applicant signs closing papers and the City provides the applicant with keys to the home and warranties for all appliances. Title Company completes the transaction, wires the program income funds to the City and records all necessary documents with Broward County.
24. CITY INSURANCE: Email is sent to City's AHT insurance carrier to cancel the insurance effective the date of the closing.
25. CITY CLERK: Original Mortgage documents are forwarded to the City Clerk for safekeeping. A hardcopy is kept in the file.
26. PROJECT 100% COMPLETED AND FILE CLOSED.
27. **All files (Purchase, Rehab and homebuyers) are reviewed by the Supervisor; Financial Files are reviewed check list signed and monitoring sticker is placed on the file. The entire file is forwarded to Department Director for review and then placed into the Monitoring Unit.**

Due to the time constraints associated with the tasks above, it is not always feasible to take each project before commission for approval. However, in order to keep the Commission up to date on all affordable housing development projects OHUI will commit to quarterly reporting to the City Commission via a memo through the City Manager. For purchases, the memo will include the property address, folio, lot area, purchase price and date of purchase. For sales, the memo will include the property address, folio, home size, sales price, buyer's name and date of sale.

It is requested this Resolution be presented to the City Commission on April 26, 2022 for consideration and approval.

Should you have any questions, please contact Miriam Carrillo, OHUI Director at ext. 4656.

Thank you.