



**City of Pompano Beach
Office of Housing and Urban Improvement**

Memorandum No. 21-086

MEMORANDUM

DATE: March 17, 2021
TO: Greg P. Harrison, City Manager
THRU: Mark E. Berman, City Attorney
FROM: Miriam Carrillo, OHUI Director
RE: **Agenda Item – Budget Adjustment AHT**

EXECUTIVE SUMMARY

The Office of Housing and Urban Improvement (OHUI) needs a budget adjustment so that funds are available to complete the rehabilitation or redevelopment of home and parcels already acquired for Affordable Housing Trust programs. The AHT program was enacted under extraordinary situations as a means to stabilize neighborhoods afflicted with blight brought on by vacant homes.

The budget adjustment, which will recognize anticipated program income, is necessary because OHUI was required to meet the County mandated deadlines to redevelop the escheated lots to the City.

Projected program income for the 11 properties in question is \$3,200,000. Estimated cost for rehabilitation and redevelopment is \$2,899,369. The budget adjustment request of \$2,899,369 for AHT will be funded by \$3,200,000 in projected program income. Exhibit A – AHT Cash Flow & Pipeline as of 3.15.2021, contains parcel-by-parcel explanation of program acquisitions, estimated rehabilitation and redevelopment costs, projected home sale prices based on past experience and the resulting projections for receipt of program income.

Recognizing anticipated program income ahead of realizing sales, as requested, will provide the funding needed to complete the homes so that they can be resold in furtherance of AHT's mission to stabilize Pompano Beach neighborhoods by providing quality, affordable homeownership opportunities to low- and moderate-income households. Staff fully anticipates no issues with selling these homes to eligible applicants, based on current market activity.

EXPENDITURE DEADLINES

There is a limited time of two years since the City accepted the County Surplus Lots to be built and placed back on the tax roll and to sell the property to a qualify low- and moderate-income households.

PROJECTED PROGRAM INCOME

As noted above, estimates have been made on the cost to redevelop the County sites. Homeowners have been in the qualification process and are several are ready to purchase. The new construction of homes in the targeted areas will improve neighborhood stabilization, create jobs, and eliminate blight. The City must maintain the

properties in their current condition. Failure to do so would create an unnecessary liability because vacant homes can be subject to vandalism and attract crime. The vacant lots must be mowed and trash picked up.

CONCLUSION

The City cannot meet the timeliness for the County surplus lot until all the projects are completed and property sold to a low – moderate income households. It is critical that a budget adjustment be made to provide the funds needed to complete the homes, to be replenished with program income when homes are sold to eligible applicants.

Please present Budget Adjustment to the City Commission on March 23, 2021 for consideration and approval.

Thank you.

Attachment