




OFFICE OF HOUSING & URBAN IMPROVEMENT

Miriam Carrillo, Office of Housing & Urban Improvement Director

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MEMORANDUM – 22-022

TO: Mark Berman, City Attorney

THRU: Miriam Carrillo, OHUI Director 

FROM: Alex Goldstein, MPA, Program Compliance Manager

DATE: November 15, 2021

RE: Request for Resolution-Approval of the 1ST Technical Revision to the City's 2021-2024 Local Housing Assistance Plan (LHAP)

This resolution makes a technical revision to the Local Housing Assistance Plan (LHAP) previously adopted by the Commission through resolution number 2021-67 (attached). The revision, which applies to funding from all three years covered by this LHAP, will make minor changes to the following strategies:

- **Owner Occupied Rehabilitation-** Remove “Moderate” from eligible income categories to be served. Add language that projects “\$5,000 or less shall be a grant. Over \$5,000 funds will be awarded as a deferred loan secured by a recorded mortgage and note. Add language “household cash assets cannot exceed \$50,000.” Owner Occupied Rehabilitation will be a one-time only assistance grant.

Due to the high volume of recurring/duplicated applicants coming through the program, OHUI is recommending that assistance through the Owner-Occupied Rehabilitation program be limited to a one-time only grant, to allow OHUI to assist as many unduplicated Pompano Beach residents in need as possible. In addition, other than the recent COVID-19 relief dollars, the City has seen a steady decline in annual Federal and State grant allocations. For instance, in FY 2020 the City was not allocated any SHIP funding. Due to the reduced State and Federal funding, OHUI has made it a priority to assist those 80% AMI and below because that is where the greatest need lies. The SHIP program requires that 30% of all funds including program income serve households at 50% AMI and another 30% serve households at 80% of the median. Removing moderate (81-120% AMI) income will help to ensure the program continues to assist those low-income applicants with the greatest need while at the same time ensuring continued compliance with those SHIP set asides. Removing moderate (81-120% AMI) income from the LHAP will also make the Rehabilitation program consistent with CDBG regulations which only assists households up to 80% AMI. Please see attached FY 2021 HUD Income Limits chart for reference.

- **Demolition/Reconstruction-** Remove “Moderate” from eligible income categories to be served. Increase Maximum Award to \$200,000 due to current market conditions.

An applicant can only receive one-time assistance under this strategy. The need for this program is greater for those who are most vulnerable/lowest income. These individuals cannot typically make repairs on their own. This differs from the pool of applicants who apply for Purchase Assistance since the Purchase Assistance applicants who have been pre-approved by a bank for a mortgage and usually fall into a higher income



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category. Please note that due to lack of SHIP funding this program is not currently funded. This strategy will remain in the City's LHAP in the event additional SHIP funding becomes available in the future.

- **Purchase Assistance with or without Rehab-** Include Moderate "up to 140%" to income categories to be served. Include language under maximum award that "total costs of repairs cannot exceed \$5,000". Update Forgiveness to state "The loan will be forgiven 20% per year in the last 5 years." Applicants would only receive one-time assistance under this strategy.

Lower income buyers are having a difficult time qualifying for a first mortgage that together with the SHIP subsidy will allow for the purchase of a home in the current market. Sales prices of homes have increased drastically across the State making it more difficult to qualify very low- and low-income households under this strategy. Moderate income has always been permitted under the Purchase Assistance program. OHUI Director made the decision to raise it up to 140% due to the nature of the housing market and the fact that SHIP increased their purchase price limit in Broward County to \$352,321 in FY 2021 (previous limit was \$331,888). We want applicants to be successful in homeownership after FTHB assistance is awarded.

The \$50,000 max award for this program will allow for up to \$5,000 in rehabilitation of the unit being purchased. The \$45,000 remaining will be used for down payment closing cost assistance. This will help the City meet the 75% SHIP construction set aside that must be complied with for each SHIP distribution.

The language regarding 20% loan forgiveness in the last five years has been a part of OHUI's internal policy and procedures. This is simply a correction to the LHAP so the document aligns with our internal policy and procedures manual. Liens for larger expenditures encourage long term stable homeownership while at the same times deters those who intend to "flip" the homes for a short-term profit.

- **Emergency Repair-** Remove "Moderate" from eligible income categories to be served. Lower maximum award from \$15,000 to \$5,000. Include language that household cash assets cannot exceed \$50,000. Include language that an applicant can only receive assistance after 5 years have passed from the date that the last assistance under emergency repair was provided.

Moderate income was removed because the SHIP program requires that 30% of all funds including program income serve households at 50% and another 30% serve households at 80% of the median. Removing moderate (81-120% AMI) income will help to ensure the program continues to assist those low-income applicants with the greatest need while at the same time ensuring continued compliance with those SHIP set asides.

True emergencies under \$5,000 will continue to be a grant. The line has become blurred as to what constitutes an actual emergency with both applicants and staff. Emergency Repair funds will only be awarded to applicants in need of repairs to their home related to a dire situation that needs to be mitigated immediately. This includes damaged roofing that is leaking, damaged window(s) causing exposure to the elements, or electrical or plumbing problems that could cause damage (fire/flood) to the home or if there is an immediate health hazard to the occupants. Applicants who receive emergency repair assistance are eligible to receive Residential rehabilitation



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assistance. Unfortunately, applicants have been using this loose definition of “Emergency” to try and skip others on the waiting list, if they have already received Rehabilitation assistance. In order to avoid future confusion, OHUI is recommending limiting Emergency Repair to actual emergencies, everything else will be considered owner-occupied rehabilitation and a deferred mortgage loan will be placed on the property.

OHUI’s current Emergency Repair policy states “Applicants who previously received emergency assistance may not apply before five years have passed since final payment was made on their earlier assistance, except on a case-by-case basis as determined by the OHUI Director.” OHUI is not making any changes to the time period Emergency Repair applicants must wait to re-apply, but simply adding that language to the LHAP for clarity purposes.

- **Security and/or Utility Deposit-** Remove “Moderate” from eligible income categories to be served.

The SHIP program requires that 30% of all funds including program income serve households at 50% and another 30% serve households at 80% of the median. The need is greater for those 80% AMI and below. Therefore, by removing moderate (81-120% AMI) income it will help to ensure the program continues to assist those low-income applicants with the greatest need while at the same time ensuring continued compliance with those SHIP set asides.

- **Disaster Assistance-** Remove “Moderate” from eligible Income categories to be served.

The SHIP program requires that 30% of all funds including program income serve households at 50% and another 30% serve households at 80% of the median. This change will help to ensure continued compliance with those set asides. Please note that due to lack of SHIP funding this program is not currently funded. This strategy will remain in the City’s LHAP in the event additional SHIP funding becomes available in the future.

Please present this Resolution to the City Commission on December 14, 2021 for consideration and approval.

Should you have any questions, please contact Alex Goldstein, Program Compliance Manager at ext. 4641.

Thank you.

Attachments: 2021 HUD Income Limits Chart; Resolution 2021-67; Revised 2021-2024 LHAP



FY 2021 INCOME LIMITS DOCUMENTATION SYSTEM

HUD.gov [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2021 Income Limits Summary

Selecting any of the buttons labeled "Click for More Detail" will display detailed calculation steps for each of the various parameters.

FY 2021 Income Limit Area	Median Family Income Click for More Detail	FY 2021 Income Limit								
		Category	1	2	3	4	5	6	7	8
Fort Lauderdale, FL HUD Metro FMR Area	\$73,400	Very Low (50%) Income Limits (\$) Click for More Detail	30,800	35,200	39,600	44,000	47,550	51,050	54,600	58,100
		Extremely Low Income Limits (\$)* Click for More Detail	18,500	21,150	23,800	26,500	31,040	35,580	40,120	44,660
		Low (80%) Income Limits (\$) Click for More Detail	49,300	56,350	63,400	70,400	76,050	81,700	87,300	92,950

NOTE: Broward County is part of the **Fort Lauderdale, FL HUD Metro FMR Area**, so all information presented here applies to all of the **Fort Lauderdale, FL HUD Metro FMR Area**. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **Fort Lauderdale, FL HUD Metro FMR Area**.

The **Fort Lauderdale, FL HUD Metro FMR Area** contains the following areas: Broward County, FL;

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2021 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2021 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see [here](#):

FY2020 Median Family Income and Income Limits for Fort Lauderdale, FL HUD Metro FMR Area

Select a different county or county equivalent in Florida:

- Alachua County
- Baker County
- Bay County
- Bradford County
- Brevard County
- Broward County

Select county or county equivalent

Select any FY2021 HUD Metropolitan FMR Area's Income Limits:

Fort Lauderdale, FL HUD Metro FMR Area

Select HMFA Income Limits Area

Or press below to start over and select a different state:

Select a new state

Update URL For bookmarking or E-Mailing

Prepared by the [Program Parameters and Research Division](#), HUD.