



Hallandale Beach Community Redevelopment Agency

Policy Manual

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Introduction

The mission of the Hallandale Beach Community Redevelopment Agency (CRA) is to foster and directly assist in the redevelopment of the Community Redevelopment Area in order to eliminate slum and blight, thus improving the attractiveness and quality of life of the area and the City of Hallandale Beach as a whole. The CRA's Implementation Plan, which is available to the public on the CRA's website, provides the framework for projects and activities intended to accomplish this mission, and offers objectives for redevelopment of the area that is also consistent with the citizens' visions as expressed through various neighborhood and area planning initiatives. The policies used to accomplish these goals are targeted at businesses and residents respectively.

Definitions

Affordable Housing: A situation where the cost of monthly rents or monthly mortgage payments including taxes, insurance, and utilities do not exceed 35% of a household's adjusted gross monthly income. This is based on the median average income for the household size and primarily applies to very low, low, and moderate income households.

Assets: Cash or items of value that can be converted to cash and used as collateral to secure financing.

Assumption of Mortgage: When a buyer purchases a home and agrees to take over the existing mortgage debt on the house from the seller.

Community Redevelopment Agency: The Community Redevelopment Act of 1969, codified as Part III of Ch. 163, F.S., was enacted to enable counties and municipalities to eliminate and prevent the development or spread of slums and urban blight, to encourage needed community rehabilitation and to provide for the redevelopment of slums and blighted areas.

Cooperative: – the form of ownership of real property wherein legal title is vested in a corporation or other entity and the beneficial use is evidenced by an ownership interest in the association and a lease or other monument of title or possession granted by the association as the owner of all the cooperative property.

Crime Prevention Through Environmental Design (CPTED): technique to provide architectural and landscape design to make the property less susceptible to crime by providing for natural surveillance, lighting and limited access.

Debt to Income Ratio: The percentage of a person or household's monthly gross income that goes toward paying debts.

Default: When a borrower is unable to fulfill the obligations of his/her loan agreement.

First Right-of-Buyback: The right to have the first opportunity to purchase the property from a buyer when the buyer decides to sell or convey the property. The HBCRA, at its option, may purchase the property at the Market Value (as appraised) minus the principal assistance amount and any applicable deductions.

Hallandale Beach Community Redevelopment Agency (HBCRA): The Community Redevelopment Agency of Hallandale Beach.

Homestead: in Florida, an individual's primary residence.

Loan Agreement: A contract which regulates the terms of a loan.

Market Value: The amount that a buyer agrees to pay a seller, determined by the appraised value of the property.

Mortgage and Promissory Note: A legal document that states that a borrower obtaining a loan is obligated to repay it within the specified time period and provides a security interest in the form of a lien in favor of the lender against the home if the borrower fails to fulfill the terms.

Principal: The currently unpaid balance of a loan, not including interest (if applicable).

Proceeds of Sale: The difference between the purchase price of a property at the time the property was conveyed to the buyer and the sale price of the property at a subsequent time when the buyer intends to sell or convey the property.

Rehabilitation: the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient, contemporary use while preserving those portions which are significant to its historic, architectural and cultural values.

Restrictive Covenant: A provision and/or contract restricting or limiting the use or sale of the property in some manner.

Satisfaction of Mortgage: A document acknowledging the payment of a mortgage debt.

Subordination: A loan (or security) that ranks below other loans (or securities) with regard to claims on assets or earnings.

Sweat Equity: increased value from a property due to the owner performing the labor when renovating or improving that property.

Transfer: Any change in ownership which is different from the name (s) on the original mortgage and promissory note.

Business incentive programs

Programs Overview

BUSINESS INCENTIVE LOAN PROGRAM (BILP)

Under the business incentive program, referred to as the Commercial Code and Business Assistance Program in the CRA's Implementation Plan, the Hallandale Beach CRA provides loans at 0-3% APR for exterior rehabilitation, expansion and/or relocation costs. The program offers assistance of up to \$50,000 for business owners currently leasing their storefront and up to \$200,000 for commercial property owners. The loan will cover up to 80% of the total project cost. Awards are given on a first come, first serve basis, subject to Board approval.

HBCRA also recognizes that some projects will be of a scale which exceeds the program's \$200,000 limit. Should a development which is commercial or mixed use in nature clearly demonstrate their need for greater financial assistance, and/or that the project will have a substantial positive effect on the priorities of the Board, the interested party may apply under this program for additional funding above the limit contingent on board approval and the CRA Implementation Plan. Benefits of the project that must be demonstrated include but are not limited to: increase in the tax base, creation of affordable housing, and job creation.

Loan Terms

The loan amount will accrue interest at an annual interest rate of zero to three percent (0- 3%) depending upon applicant's financial assessment completed by the underwriter. The loan term will be up to ten years.

Payments are to be made monthly or quarterly. There is no prepayment penalty fee if the applicant decides to pay the loan back in less than ten years.

Forgiveness of a portion of the loan can be attained if the recipient creates and retains full time jobs within the business receiving assistance. The loan will be forgiven at a rate of \$10,000 per full time job that is created and retained for a period of five (5) years, with a maximum benefit of \$50,000. If the new jobs are not retained, the recipient will be required to repay the loan on a prorated basis. The calculation will be based on the difference between the anticipated and actual number of jobs that were created and retained.

For property owners, funding will be secured by their choice of a mortgage lien or Personal Guaranty. For lessees, funding will be secured by a Personal Guaranty or a Promissory Note.

If a recipient fails to fulfill any of its obligations as set forth in the loan agreement, and such failure continues for 10 business days following written notice from the CRA to the recipient, an event of default shall be deemed to have occurred thereby entitling the CRA to all rights and remedies available to it by law. An event of default shall include, without limitation, the failure of the recipient to create the required number of new jobs, failure to make two consecutive scheduled loan payments or any other requirements as stipulated in the loan agreement. This includes but is not limited to, immediate repayment of the loan in full plus all accrued and unpaid interest. Interest shall accrue at the default rate of 10 percent per day beginning on the day that the recipient received notice of its default and ending when it is paid in full.

FAÇADE IMPROVEMENT GRANT PROGRAM (FIGP)

The purpose of the FIGP is to enhance the appearance of the façades of commercial buildings located within the CRA. The Grant works to address deteriorating property conditions and encourage improvements to the property as viewed from the public right of way.

The property must be located within the Hallandale Beach Community Redevelopment Agency district as outlined in Appendix II. Preference will be given to properties located within the target areas as determined by the HBCRA Board.

Business Target Areas:

- Hallandale Beach Boulevard between U.S.1 and I-95
- Foster Road
- FEC corridor

These areas are also outlined in the CRA map in Appendix II.

Financial Assistance Amounts

The amount of the award funding under the FIGP is based on the square footage of the commercial property as follows:

Up to 4,000 SF	\$10,000
4,001 SF- 10,000 SF	\$20,000
10,001 SF – 20,000 SF	\$30,000
20,001 SF - 30,000 SF	\$40,000
More than 30,001 SF	\$50,000

Funding may include other work necessary to complete the project, comprising:

- Design Services: Design assistance may be provided for projects through the program's professional consultants, if the proponent does not have a qualified design professional or architect.
- Permits and inspection fees

Funding Limitations

A 40% mandatory matching amount of the total value will be required when the project scope is limited to a business sign.

Businesses will be ineligible for funding in the following cases:

- Businesses located in a commercial property that have received funding from the HBCRA, within the last five years.
- Business that are national franchises and retail chain stores with more than ten locations outside of the City of Hallandale Beach, unless the organization is headquartered at Hallandale Beach.

Commercial Properties will be ineligible for funding in the following cases

- Commercial properties that are new commercial construction (less than five years old). However, businesses within these properties may be eligible to apply for commercial signs.
- Commercial properties having previously been improved with the help of a Façade Grant within the last three years. Exceptions may be considered if circumstances such as change in ownership or change in the use of the structure have occurred.

Program Eligibility

Eligible Improvements

Assistance under this program is divided into two categories, Code Compliance and Aesthetic Improvements as outlined below:

Code Compliance:

- Correction of existing or pending code or ordinance violations
- Handicap accessibility improvements
- Repair or replacement of windows and doors as storefront
- Repair of walkways or entryways
- Repair/removal of blighted exterior (ex. Graffiti)

Aesthetic Improvements:

- Removal/Replacement of inappropriate façade covering material
- Repair/replacement of awnings or canopies
- Exterior painting and cleaning
- Repair, replacement or installation of exterior lighting
- Repair or cleaning of exterior masonry or stucco
- New or upgraded signage
- Fencing and landscaping, including sod
- Space build-out
- Security/Alarm System
- Other improvements not listed above

Ineligible Improvements

- Equipment, mechanicals and HVAC systems
- Roof repairs (other than those portions that directly attach to a new or renovated façade or pitched roof)
- Any interior work
- Parking lot paving and striping
- Any improvements not visible from the public right-of-way
- Improvements in progress or completed prior to preliminary approval
- Routine maintenance that is not part of an eligible façade improvement project
- Bike parking
- Improvements to non-commercial buildings

Eligible Participants

Eligible participants may be individuals, sole proprietorships, partnerships or any other legally identified form of a for profit business. Both property owners and lessees are eligible subject to meeting criteria for ratio of CRA assistance to applicant investment, location in targeted areas, and job creation (if any).

Owners of more than one eligible property may apply for assistance for each eligible property. Each application will be considered independently.

Ineligible Participants

Government agencies and owners of properties used for the general conduct of government are not eligible to participate in this program. Properties used primarily as residences, including businesses operating out of a residence, are also ineligible. Bars, and adult entertainment and gambling businesses including sweepstakes are not eligible.

Portions of building occupied by ineligible business of any kind are ineligible for program funds. Vacant buildings are subject to a claw back provision if space is occupied by a prohibited business within 12 months.

Property Eligibility

- If the applicant is the property owner:
Properties with multiple business tenants (such as shopping centers or strip malls) must seek to make improvements across the entire property so that it is done as one project.
- If the applicant is a lessee:
All of the requirements for a property owner are also applicable to a lessee. An applicant who is a lessee must also provide an executed lease agreement and obtain written consent for the improvements from the property owner.

Other Conditions

All property taxes must be current in order to apply and remain current while receiving assistance.

Any and all projects involving work that has already commenced prior to the execution of a contract with HBCRA will not be funded.

HBCRA assistance will not be placed below a second lien position.

HBCRA does not fund sweat equity. Therefore all work must be done by a licensed general contractor.

Funding for any project must not be used for religious purposes.

Approval for the Business Incentive Loan is made by the HBCRA board. The HBCRA and its Board reserve the right to reject or modify awards based on criteria specified, funding availability or other justifiable causes. Any unapproved changes will void the loan agreement. If the recipient decides to change the scope of the project after approval, they must contact the HBCRA and obtain written approval from the CRA Executive Director before performing previously unapproved activities.

Any applicant that is delinquent on their assistance from the HBCRA is not eligible for any further assistance.

The HBCRA reserves the discretion to give priority consideration to applicants that leverage 20% or more of funding on the total project cost.

Specific blocks within the CRA will be targeted and prioritized for maximum visual impact. As such, the HBCRA reserves the discretion to give priority consideration to commercial

properties located within specific blocks within the CRA's strategic corridors (as determined by the Board of Directors: Hallandale Beach Blvd, Dixie-Hwy and North Federal Hwy.).

Programs for Residents

Eligible Participants

Participants must be citizens or permanent legal residents in order to qualify.

Applicants with more than \$20,000 in liquid assets are not eligible for assistance with the exception of the Home Replacement Program.

All property taxes, homeowners insurance and utilities must be current in order to apply and must remain current while receiving assistance. A minimum credit score is not required to determine eligibility.

Participants must show proof of income and meet the household income requirements. Based on Gross Broward Median Income as outlined in Appendix III, applicants must be of moderate household income or below. Household size will be determined by the number of people an applicant declares and is able to provide materials that substantiate that claim. Materials must show proof of joint residency. This may include but is not limited to:

- Tax returns indicating dependents
- School registration

Household debt to income ratio cannot exceed 30% for housing and 45% for total household debt.

The applicant must not be in foreclosure proceedings or in foreclosure in the last three years. Applicants must not be anticipating foreclosure proceedings while applying for assistance. Discovery of such a situation is cause for immediate rejection of application.

Eligible Properties

The property must be located within the CRA Area as outlined in Appendix II. The shutter rebate program is the only program administered to households to the entire city.

A property may be a single family dwelling such as a single family home, condominium, townhouse or duplex. Trailers, mobile homes and houseboats are ineligible.

NEIGHBORHOOD IMPROVEMENT PROGRAM (NIP)

Program Overview

Under the Neighborhood Improvement Program (NIP), the Hallandale Beach CRA will provide a low interest, forgivable loan of up to \$30,000 for residential properties of no more than four (4) dwelling units and up to \$50,000 for multi-family properties with five (5) or more dwelling units.

Eligible Uses

Assistance is divided into two categories: Code Compliance, which will receive priority, and Aesthetic Improvements.

Code Compliance such as:

- Correction of existing or pending code or ordinance violations
- Termite removal
- Repair or replacement of roofing
- Repair or replacement of windows and doors
- Repair or cleaning of exterior masonry or stucco
- Repair or replacement of walkways or entryways including swales and driveways
- Repair/removal of blighted exterior (ex. Graffiti)
- Installation of storm shutters
- Seawall repair
- Other code issues not listed above

Aesthetic Improvement such as:

- Exterior painting and cleaning
- Repair, replacement or installation of exterior lighting
- Fencing and landscaping, including sod
- Energy efficient air conditioning, water heater, or high grade roof installation
- Recommendations from CPTED study completed on the property
- Other improvements not listed above

While this program is designed to perform exterior improvements, emergency interior repairs can also be included if they mitigate life safety issues including:

- Removal of lead-based paint
- Removal of asbestos
- Removal of mold
- Removal of home barriers to the disabled and/or elderly
- Other life safety issues and determined by the Code Compliance Official

Costs may include other work necessary to complete the project, including:

- Architectural/engineering fees for the preparation of construction drawings
- Construction supervision
- Permits and inspection fees

Loan Terms

The total amount can be up to \$30,000 for owner occupied, single family dwelling units and up to \$50,000 for multi-family properties with two (2) or more dwelling units.

The loan becomes forgivable at a rate of 20% per year for five years. If the property is sold or transferred within that time, the loan must be repaid with the following terms:

Timeframe	% of initial loan	Annual Interest Rate
< 3 years	100%	6%
< 4 years	75%	N/A
< 5 years	50%	N/A
5+ years	N/A	N/A

The loan amount will not be more than 50% of the assessed value of the property.

REPLACEMENT HOME PROGRAM

Program Overview

Under the Replacement Home Program, the HBCRA will provide a low interest or interest-free loan up to \$150,000 to single-family home owners when it has been determined (by way of the inspection as part of the preliminary loan approval process) that the necessary repairs to their property to bring it up to code will exceed 50% of the assessed value of the property.

Eligible Uses

Financial assistance can be used towards design, demolition and construction of a new home on the same property. The property must be used as a homestead.

Loan Terms

The loan amount will not be more than \$150,000. The loan will take the form of a 1% interest loan for moderate income applicants, and 0% for low income applicants for a twenty (20) year period. Applicants who are age 65 or older, and who are on a fixed income may qualify for forgiveness of up to \$75,000 of the loan amount.

The qualifying elderly recipient must reside in the property as their homestead over a period of at least five (5) years in order to obtain the loan forgiveness. The rate of the forgiveness is outlined in the table below. If the recipient sells or conveys the property before the fifth year of residency in the property, repayment of the pro-rated will be required.

Years in Residence at Property	Repayment Liability to HBCRA
1	80%
2	60%
3	40%
4	20%
5	0%

If the recipient becomes deceased before the fifth year of residency in the property, the assistance will continue without penalty for any survivors who were listed as part of the household at the time of application.

It is assumed that properties that fall into this category will not have a mortgage. HBCRA assistance will only be subordinate to a mortgage on the same property from the primary lender. If for any reason the primary lender rejects or disapproves the CRA's subordinate mortgage, the assistance award is not negated, but it will be the responsibility of the recipient to either obtain approval from the primary mortgage holder, or refinance with another lender within the timeframe of the approval letter issued by the HBCRA. Extensions are considered on a case-by-case basis.

FIRST TIME HOMEBUYER (FTHB)

Program Overview

Under the First Time Homebuyer Program, the Hallandale Beach CRA will provide up to \$50,000 in assistance to be used towards a down payment and/or closing costs for the purchase of a first home. An individual who has never owned a home or has not owned a home for at least three (3) years is considered a first time homebuyer and is therefore eligible.

A 90-day pre-approval letter is given to the assistance recipient, during which time the recipient must locate a suitable home and secure a primary mortgage lender.

Eligible Uses

Assistance may only be used for a down payment and closing costs for a residential property that the applicant will reside in as a homestead.

Loan Terms

Applicants are required to provide a minimum of \$2,000 of their own funds toward the down payment.

The maximum loan amount will be \$50,000. The loan will take the form of a 0% forgivable loan for a ten-year period. HBCRA assistance will be subordinate only to a mortgage on the same property from the primary lender.

The property must pass a home inspection. This is the same inspection done by an independent contractor that the primary lender requires and does not incur additional costs to the recipient. The HBCRA should be furnished with a copy of this report.

If for any reason the primary lender rejects or disapproves the primary mortgage, the assistance award is not negated, but the recipient must secure another lender within the timeframe of the approval letter issued by the HBCRA. Extensions are considered on a case-by-case basis.

If the recipient sells or conveys the property before the tenth year of residency, repayment of the original assistance amount must be paid as follows:

Years in Residence at Property	Repayment Liability to HBCRA*
0-5	100%
6	80%
7	60%
8	40%
9	20%
10+	0%

*as % of initial assistance amount

Should a recipient of HBCRA assistance become deceased prior to repayment of the loan or prior to meeting the requirements for 100% loan forgiveness as outlined in the program, the loan shall be forgiven.

PAINT VOUCHER POLICY

Program Overview

Under the Paint Voucher Program, the Hallandale Beach CRA will provide a Sherwin-Williams Paint voucher worth up to \$500 to be used towards A-100 exterior paint and supplies for a residential property.

Eligible Uses

The assistance voucher is brand specific and can only be used for Sherwin-Williams paint and supplies.

Assistance Terms

The property must be in need of painting as determined by HBCRA staff. Possible reasons may include but are not limited to:

- The property was last painted over ten (10) years ago
- The property has been marred by unfortunate markings such as graffiti
- Property's aesthetic appeal is undermined by deterioration such as unattractive peeling

Once approved, the home must be painted within 30 days of receipt of the paint voucher. A color picture of the newly painted home must be submitted to the HBCRA on or before the 30th day of voucher issuance.

Properties are eligible for assistance every five years.

STORM SHUTTER REBATE PROGRAM

Program Overview

Under the Storm Shutter Rebate Program, the HBCRA offers a rebate of up to \$1,500 for the installation of storm shutters or impact glass for owner-occupied property in order to mitigate storm damage. This program is administered by the HBCRA on behalf of the City of Hallandale Beach and is funded by City funds.

Eligible Uses

Assistance may only be used for the installation of storm shutters and/or impact glass to protect an owner-occupied residential property from storm damage.

Rebate Terms

The rebate amount will not exceed \$1,500 and will be given after work has been completed.

Rebate program application must be submitted by the homeowner with approved building permit application. Approval of the application is necessary before any work can commence. Installation must be completed and approved by the City of Hallandale Beach Building Division within 60 days of applicant approval.

Residents may only apply for this program once, even if they move to a different property within the City limits.

Other Conditions

All property taxes and utilities must be current in order to apply.

Any and all projects involving work that has already commenced prior to the execution of a contract with the HBCRA will not be funded.

The work must be done by a licensed contractor. The HBCRA will not finance any rehabilitation in which the applicant does the work, also known as sweat equity.

Awards are given on a first come first serve basis after Board approval. Approval is not automatic. The HBCRA and its Board reserve the right to reject or modify awards based on criteria specified, funding availability or other justifiable causes. Any unapproved changes will void the loan agreement. If the aid recipient decides to change the project after approval, they must contact the HBCRA and obtain approval from the CRA Director before performing previously unapproved activities.

Any applicant that is delinquent on their assistance from the HBCRA is not eligible for any further assistance. Any applicant that is receiving assistance but is current on all payments and taxes may apply for additional funding for improvements or repairs that remove the threat of life safety issues for the property owner or that may cause detrimental damage to the entire property.

Exceptions

Any exceptions to this policy will be considered on a case-by-case basis by the HBCRA Board of Directors.

Fees

Costs and fees associated with applying to these programs are outlined in the Fee Schedule (see Appendix I). These fees are from charges incurred in the process of evaluating and providing assistance. These fees are non-refundable.

Review and Revision

These policies will be reviewed on an annual basis by the CRA Executive Director or designee and amended as necessary.

Appendix I: Fee Schedule

Program	Non-refundable Application Fee*
Business Incentive (Loan)	\$750
Business Incentive (Façade Grant)	\$100
Neighborhood Improvement (Single Family Home)	\$150
Neighborhood Improvement (2+ units)	\$300
First Time Homebuyer	No Fee
Shutter Rebate	\$75
Paint Voucher	No Fee

*Other fees (such as title reports, or extensive inspections) are dependent on the program and can be included as part of the awarded assistance amount.

Appendix III: Broward Median Income Table (2016)

<i>Household Size</i>	<i>Extremely Low (30%)</i>	<i>Very Low (50%)</i>	<i>Low (80%)</i>	<i>Moderate (120%)</i>
1	\$15,250	\$25,400	\$40,600	\$60,960
2	\$17,400	\$29,000	\$46,400	\$69,600
3	\$20,160	\$32,650	\$52,200	\$78,360
4	\$24,300	\$36,250	\$58,000	\$87,000
5	\$28,440	\$39,150	\$62,650	\$93,960
6	\$32,580	\$42,250	\$67,300	\$100,920
7	\$36,730	\$44,950	\$71,950	\$107,880
8	\$40,890	\$47,850	\$76,600	\$114,840

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