



Hallandale Beach Community Redevelopment Agency

Replacement Home Program Policy

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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

Administrative Fees: Fees charged to NIP applicants to cover the HBCRA incurred costs to administer the NIP and Hurricane Rebate Program; such fees include but are not limited to an application fee, re-inspection fee and subordination fee.

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.

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.

Grant: For the purpose of this Policy is that portion of the loan or the financial assistance which is forgiven and not required to be paid back to the HBCRA.

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. HBCRA will only subordinate to 2nd lien position. HBCRA will not subordinate in the case of a cash out transaction.

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.

REPLACEMENT HOME PROGRAM (RHP)

Program Overview

The RHP is a subset of the Neighborhood Improvement Program (NIP). Applicants are identified to be eligible for this program once the property assessment, ordered by the HBCRA, proves that the costs of the recommended NIP improvements exceed 50% of the property appraiser's assessed value of the property.

Under the Replacement Home Program, the HBCRA will provide a low interest or interest-free loan up to \$250,000 (or the current cost of construction with plans, permits, construction and finishes) to single-family home owner.

Eligibility Requirements

- Applicants must apply for the NIP Program to determine eligibility for the RHP.
- Applicants must be citizens or permanent legal residents of the United States in order to qualify.
- 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 of 640 is required.
- No more than 30% of the applicant's gross income can be spent on housing (mortgage payment, mortgage insurance, property taxes and property insurance) and 45% for total expenses.
- Houses with existing mortgage or outstanding liens cannot participate in the Replacement home program. If homeowner is able to satisfy mortgage and or rectify any outstanding lien then their application will be considered for the program.
- Participants must show proof of income and meet the household income requirements. Based on Gross Broward Median Income as outlined in Appendix I, 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 documents that substantiate that claim. Materials must show proof of joint residency. This may include but is not limited to:
 - a) Tax returns indicating dependents
 - b) School registration
- The property must be the primary residence of the buyer and must be homesteaded.
- If the buyer closes after Broward County's homestead deadline then the buyer must homestead the property within a year of closing.

Since initial application is submitted under the NIP Program another application will not have to be submitted. However additional documents will be required (i.e. financial, etc.) to determine eligibility for this program. Applicant must meet the income requirement to participate in this program (current Broward County Median Income guidelines).

Eligible Uses

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

Loan Terms

- The loan amount will not exceed \$250,000 (or the current cost of construction with plans, permits, construction and finishes).
- A 1% to 3% interest rate loan for up to moderate income applicants, and 0% for low income applicants for a twenty (20) year period.
Applicants who are age 65 or older, and who meet the income requirement may qualify for forgiveness of up to \$100,000. The qualifying elderly recipient must reside in the property as their homestead over a period of ten (10) 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 tenth year of residency in the property, the forgiveness is negated.
- Sale of property before the expiration of the 5th year will incur a 6% penalty.

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

The forgiveness portion is applicable to the primary applicant/recipient not any co-applicants/co-recipients who meet the requirements above. If the recipient is deceased before the tenth year of occupancy in the property, the forgiveness will be negated. The co-applicant/recipient will be responsible for repayment of 100 percent of the loan. The loan repayment will be amended to remove the forgiveness (as noted in the loan documents.)

It is assumed that properties that fall into this category will not have an existing mortgage. Houses with existing mortgage or outstanding liens cannot participate in the Replacement home program. If homeowner is able to satisfy mortgage and or rectify any outstanding lien then their application will be considered for the program.

Subordination

HBCRA will subordinate its loan for rate and term changes but not for cash out or credit cards consolidation.

Satisfaction

After the loan reaches maturity, if the loan is not in default, the HBCRA will record a satisfaction of mortgage. Home/property owners are responsible for all lien release fees.

Fees

Closing Cost (to be determined).

Required Documents

Application packets must include “copies” of all the following documentation:

- Property Deed
- Most recent Property Tax Bill from Broward County
- Homeowner Insurance, Windstorm Insurance
- Flood Insurance (if in designated flood zone)
- Most recent mortgage statement showing current balance (if applicable) or mortgage satisfaction
- Complete tax returns with corresponding W-2's (for the last 2 years)
- Current pay stubs (for the last 3 months)
- Employment verification form
- Full Credit Report (no older than 90 days)
- Recent bank statements for all accounts (checking, savings, etc. for the last 3 months)
- Statements for Social Security, Pension Distribution, or Disability (if applicable)
- Contractor estimated price proposals for all work to be completed (at least 2 for each improvement)
- Florida Driver's License or ID card
- Application Fee

Submission of application is not a guarantee of funding. It is the responsibility of the applicant to READ AND UNDERSTAND all aspects of the program's rules/requirements and application.

NOTICE TO THIRD PARTIES: The HBCRA program application does not create any rights for any parties, including parties that performed work on the project. Nor shall issuance of grant/loan result in any obligation on the part of the HBCRA to any third party. The HBCRA is not required to verify that entities that have contracted with the applicant have been paid in full, or that such entities have paid any subcontractors in full. Applicant's warranty that all bills related to the Project for which the applicant is directly responsible is sufficient assurance for the HBCRA to award grant/loan funding.

How did you hear about our program?

Internet Hallandale Happenings Comcast Other Forum

Replacement Home Program Application (RHP)

400 South Federal Highway, Hallandale Beach, Florida 33009

(954) 457-1422 | (954)-457-2228 | www.cohbcra.org

Applicant:

Name: _____

Property Address: _____ **Hallandale Beach, FL 33009**

Mailing Address: _____

City: _____ State: _____ Zip: _____ Telephone: _____

Email Address: _____

Monthly Mortgage \$ _____ Living at this address since: _____ Date of birth: _____

Social Security Number: _____ - _____ - _____ Male Female Household Size: _____

Marital status: _____ Married _____ Separated _____ Unmarried (single, divorced, widow)

Please check one: ___ White ___ Black ___ American Indian ___ Hispanic ___ Asian (Pacific Islander) ___ Other

Employer #1 (All employment must be listed below):

Employer: _____ Telephone: _____

Contact Person for Income Verification: _____ Telephone: _____

Address: _____

Position: _____ Employed since: _____

Monthly income: _____ Bonus: _____ Overtime: _____

Alimony/Child support: _____ SS/Disability/Pension _____ Other (explain): _____

Employer #2 (If applicable):

Employer: _____ Telephone: _____

Contact Person for Income Verification: _____ Telephone: _____

Address: _____

Position: _____ Employed since: _____

Monthly Income: _____ Bonus: _____ Overtime: _____

APPLICANT'S TOTAL MONTHLY INCOME: \$ _____

Co-Applicant

Name: _____

Address: _____

City: _____ State: _____ Zip: _____ Telephone: _____

Monthly Mortgage \$ _____ Living at this address since: _____ Date of birth: _____

Social Security No.: _____ - _____ - _____ Male Female Email Address: _____

Marital status: _____ Married _____ Separated _____ Unmarried (single, divorced, widow)

Please check one: ___ White ___ Black ___ American Indian ___ Hispanic ___ Asian (Pacific Islander) ___ Other

Employer #1 (All employment must be listed below)

Employer: _____ Telephone: _____

Contact Person for Income Verification: _____ Telephone: _____

Address: _____

Position: _____ Employed since: _____

Gross Monthly income: _____ Bonus: _____ Overtime: _____

Alimony/Child support: _____ SS/Disability/Pension _____ Other (explain): _____

Employer #2 (If applicable)

Employer: _____ Telephone: _____

Contact Person for Income Verification: _____ Telephone: _____

Address: _____

Position: _____ Employed since: _____

Gross Monthly income: _____ Bonus: _____ Overtime: _____

Alimony/Child support: _____ SS/Disability/Pension _____ Other (explain): _____

CO-APPLICANT'S TOTAL MONTHLY INCOME: \$ _____

TOTAL HOUSEHOLD GROSS MONTHLY INCOME \$ _____

ALL OTHER HOUSEHOLD MEMBERS (Do not include Applicant and Co-Applicant in this section)

Name	Date of Birth	Relationship	Gross Annual Income

ASSETS (For Applicant, Co-Applicant and Other)

Bank accounts: Checking, Savings, Retirement, Certificates of Deposit, etc. Use additional pages if needed.

BALANCES

Type of account	Bank/Institution	Applicant	Co-Applicant	Other	TOTAL
Checking					
Savings					
Retirement					
Stocks					
Bonds					
Mutual Funds					
Other					
Vehicles, Boats					

TOTAL ASSETS \$\$ _____

LIABILITIES (For applicant, co-applicant, other)

Installment (Bank) loans, Auto loans, Credit cards, Student loans, Hospital bills, and other debt. Include child support and alimony payments. (*Rent, Utilities & cable should not be included*) Place amount under proper person.

Bank or Creditor	Applicant	Co-Applicant	Monthly Payment	Balance Due

TOTAL DEBTS: \$ _____ \$ _____

HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
400 S. Federal Highway, Hallandale Beach, FL 33009
REQUEST FOR VERIFICATION OF INCOME

A. APPLICANT'S NAME, ADDRESS & PHONE

Name: _____ Telephone: _____
Address: _____

B. EMPLOYER'S NAME, ADDRESS & PHONE #

Name: _____ Telephone: _____
Address: _____

NOTICE TO EMPLOYER

The applicant identified in Section A. has applied for Hallandale Beach CRA's Neighborhood Improvement Program. The applicant has authorized the HBCRA in writing to obtain verification of employment income and is confidential. Please furnish the information requested below and return this form via mail to the address above or by email lparks@cohb.org Attn: CRA.

EMPLOYER'S VERIFICATION

1. Position Held: _____
2. Dates of employment: From _____ To _____
3. Probability of Continued Employment _____

Rate of Pay (Estimated, if not actual).

Present Base Salary \$ _____
_____ Weekly _____ Monthly _____ Bi-Weekly _____ Other _____
(List number of hours work per week)

Additional Compensation Received
\$ _____ Overtime \$ _____ Commission \$ _____ Bonus

Anticipated earnings for next 12 months _____

If applicant is Military, given income on a monthly basis as follows:

\$ _____ Base Pay \$ _____ Flight or Hazard
\$ _____ Duty Allowance \$ _____ Other Assistance

Has employment been terminated? ___ Yes ___ No [if yes, is the individual eligible for unemployment benefits? _____ (yes/no)]

EMPLOYER'S CERTIFICATION

The above information is furnished in strict confidence in response to the HBCRA's request.

Employer's Signature

Date

Employer's Title
AUTHORIZATION

APPLICANT'S

I hereby authorize the release of the above requested information.

Signature of Applicant

CERTIFICATION:

I/we understand that verification of my income will be verified with the employer(s) listed above.

I / we understand that this program provides assistance for homeowners and I / we state that I / we are not currently in bankruptcy or have been in the last three (3) years prior to this date.

I/we agree to participate in the promotion of this program, and agree to be interviewed and accept pictures to be taken. I/we agree that HBCRA may use such photographs of me/us with my/our name(s) and for any lawful purposes, including such purposes as publicity, illustration, advertising and web consent.

I/we understand that if assistance is provided and a residence is not constructed or if I/we cease to occupy the property as my/our principal residence or if I/we sell or convey the property, then the total assistance provided will be due and payable to the HBCRA plus any applicable penalties and interest.

I/we understand the terms of this program and sign acknowledging the following terms apply to me/us.

I/we must remain in the home for at least ten (10) years to avoid penalties and interest.

I/we declare that all information provided on all pages of this application is true and accurate to the best of my/our knowledge. I/we understand that misrepresentations or incorrect information provided can disqualify me/us from participating in this program.

IN WITNESS WHEREOF, I/we have set my/our hand(s) and seal this _____,
20_____.

WITNESSES:

Print Name: Applicant

Signature of Applicant

Print Name: Co-Applicant

Signature of Co-Applicant

STATE OF FLORIDA
COUNTY OF BROWARD

On _____, 20_____, before me, the undersigned authority, personally appeared _____ and _____ who are personally known to me or produced _____ as identification, and executed this application.

Notary Public



Appendix I: Broward Median Income Table (2017)

Broward County's Median Income is \$64,100

Household Size	Extremely Low (30%)	Very Low (50%)	Low (80%)	Moderate (120%)
1 person	\$16,000	\$26,700	\$42,700	\$64,080
2 person	\$18,300	\$30,500	\$48,800	\$73,200
3 person	\$20,600	\$34,300	\$54,900	\$82,320
4 person	\$26,600	\$38,100	\$60,950	\$91,440
5 person	\$28,780	\$41,150	\$65,850	\$98,760
6 person	\$32,960	\$44,200	\$70,750	\$106,080
7 person	\$37,140	\$47,250	\$75,600	\$113,400
8 person	\$41,320	\$50,300	\$80,500	\$120,720

Effective: April, 2017

