

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: HOME/ADDI Program Resolution and Written Agreement

DEPARTMENT: Community Services **DIVISION:** Community Assistance

AUTHORIZED BY: Phillip C. Stalvey, Dir. **CONTACT:** David Medley, Mgr. **EXT.** 3363

Agenda Date <u>8/8/06</u>	Regular <input type="checkbox"/>	Consent <input checked="" type="checkbox"/>	Work Session <input type="checkbox"/>	Briefing <input type="checkbox"/>
	Public Hearing – 1:30 <input type="checkbox"/>		Public Hearing – 7:00 <input type="checkbox"/>	

MOTION/RECOMMENDATION:

Approve and authorize the Chairman to execute a Resolution clarifying the intent of the Board that the County Manager has the requisite authority to execute HOME/ADDI Program written homebuyer agreements, each not exceeding \$10,000.

BACKGROUND:

The Board of County Commissioners (Board) receives annual funding from the HOME and ADDI Programs from the U.S. Department of Housing & Urban Development (HUD). HOME funds may be used and ADDI funds *must* be used to assist homebuyers in acquiring affordable housing.

Federal regulations require all homebuyers assisted under HOME & ADDI execute a written agreement with the County prior to loan closing. This agreement must state the terms of funding and repayment if the unit is resold during the five-year affordability period, and requires the homebuyer to close within thirty days of the agreement.

In order to prevent approaching the Board with each and every agreement, a Resolution is attached, clarifying the intent of the Board that the County Manager has the requisite authority under the current Administrative Code to execute said agreements. No agreement will exceed \$10,000 in HOME/ADDI subsidies to any homebuyer. The HOME/ADDI agreement form is also attached.

STAFF RECOMMENDATION:

Staff recommends that the Board approve and authorize the Chairman to execute the attached Resolution and approve the form of HOME/ADDI homebuyer agreement.

Reviewed by:	
Co Atty:	
DFS:	
Other:	
DCM:	
CM:	
File No.	ccscas02

THE FOLLOWING RESOLUTION WAS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA AT THEIR REGULARLY SCHEDULED MEETING OF _____, 2006.

WHEREAS, The Board of County Commissioners (the "Board") of Seminole County, Florida (the "County") desires to continue making affordable housing available to lower income citizens of Seminole County through utilization of United States Department of Housing and Urban Development ("HUD") HOME Program and related American Dream Downpayment Initiative ("ADDI") funding for downpayment assistance; and

WHEREAS, HUD requires the County to enter into the form of agreement attached as Exhibit "A" to this Resolution as a precondition to making HOME/ADDI deferred payment mortgage financing available and execution of mortgage documents; and

WHEREAS, The Administrative Code currently authorizes the County Manager to enter into certain types of contracts for the purchase of goods and services up to a maximum amount of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) without further Board action, but does not specifically mention the unique type of contract at issue here; and

WHEREAS, the Board desires to expedite the implementation of the HOME/ADDI affordable housing financing and to clarify and reaffirm the intent of the Board to include the subject form of Agreement as being within the scope of Section 22.203(4), Seminole County Administrative Code,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA, THAT:

(1) The above recitals are true and correct and form a material part of this Resolution.

(2) The Board finds and determines that the Agreement in the form attached as Exhibit "A" hereto is of the type intended to be within the scope of Section 22.203(4) of the Administrative Code and that no further authorization is required for execution thereof by the County Manager.

(3) The Board hereby approves the subject Agreement and the execution thereof by the County Manager for those several, contemplated HUD HOME/ADDI affordable housing transactions not exceeding FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) of assisted financing.

ADOPTED this _____ day of _____, 2006.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA

MARYANNE MORSE
Clerk to the Board of
County Commissioners of
Seminole County, Florida

By: _____
CARLTON D. HENLEY, Chairman

Attachment:

Exhibit "A" - Seminole County Government HOME/ADDI Program
Homebuyer Assistance Agreement form

**SEMINOLE COUNTY GOVERNMENT
HOME / ADDI PROGRAM
HOMEBUYER PROGRAM ASSISTANCE AGREEMENT**

Homebuyer: _____

Property Address: _____

This Agreement is entered into this _____ day of _____, 20____ by and between **SEMINOLE COUNTY**, a political subdivision of the State of Florida, whose address is 1101 East First Street, Sanford, Florida 32771 (hereinafter "COUNTY") and _____, whose address is _____, (hereinafter "HOMEBUYER(S)").

W I T N E S S E T H:

WHEREAS, the COUNTY has received HOME/ADDI funds appropriated by the National Affordable Housing Act of 1990, as amended, through the U.S. Department of Housing and Urban Development (hereinafter "HUD") to be expended in accordance with the HOME Investment Partnerships Program (24 CFR, Part 92), as amended; and

WHEREAS, the COUNTY has agreed to use HOME/ADDI funds to assist qualified homebuyers with down payment, closing costs, and/or interest rate buy-down assistance, and meet the requirements as set forth in 24 CFR Part 92, as amended or waived by HUD; and

WHEREAS, HOMEBUYER(S) are qualified for HOME/ADDI downpayment funding assistance on the above property based upon gross household income as well purchase price of the home and desire to obtain such assistance under the terms of this Agreement,

NOW, THEREFORE, inconsideration of the mutual covenants, promises and representation contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. Recitals.

The above recitals are true and correct and form a material part of the agreement upon which the parties have relied.

Section 2. Affordability

The property which is the subject of financing pursuant to this Agreement shall remain affordable in accordance with COUNTY guidelines for a term as specified in a restrictive deed recorded at loan

closing. "Affordability Period" shall mean that the residence purchased with HOME/ADDI funds shall be occupied only by a Low Income or Very Low Income household for five (5) years.

"Low Income" shall mean gross household income that does not exceed 80% of the median family income for the Orlando Standard Metropolitan Statistical Area as determined by HUD.

"Very Low Income" shall mean gross household income that does not exceed 50% of the median family income for the Orlando Standard Metropolitan Statistical Area as determined by HUD.

Section 3. Terms of Funding and Repayment.

(a) The COUNTY shall provide a Deferred Payment Loan to HOMEBUYER(S) in the amount of _____ DOLLARS (\$_____) at zero percent (0%) interest. Repayment of such loan shall be deferred so long as HOMEBUYER(S) occupy the property as the principal place of residence. The loan shall be forgiven by COUNTY provided that HOMEBUYER(S) maintain the subject property as the principal place of residence for the duration of the applicable Affordability Period. Upon provision of proof to the COUNTY that HOMEBUYER(S) has or have satisfied such residency requirements, COUNTY shall execute and deliver appropriate documentation of satisfaction of the indebtedness.

(b) The HOME/ADDI loan shall be evidenced by a promissory note and secured by a mortgage lien on the subject property. The Affordability Period shall be evidenced by a Restrictive Use Covenant. Said documents shall be prepared by the COUNTY, executed by HOMEBUYER(S) and recorded in the Official Records of Seminole County.

(c) Upon the occurrence of any of the following events prior to expiration of the Affordability Period, the loan shall become immediately due and payable under the terms contained in the promissory note: (1) HOMEBUYER(S) sells, transfers, leases, rents, refinances or disposes of the property; (2) HOMEBUYER(S) file for bankruptcy protection, make any assignment for benefit of creditors under State law, or the property is the subject of a foreclosure action by a senior mortgagee or other lienholder; (3) the HOMEBUYER(S) no longer occupies the unit as his/her/their principal residence; or (4) the HOMEBUYER dies or, if a married couple, the survivor dies.

Section 4. Acquisition. HOMEBUYER(S) must acquire the property within thirty (30) days of the date of this Agreement.

Section 5. Other Financing Requirements. The COUNTY and HOMEBUYER(S) agree to comply with HOME regulations as set forth in 24 CFR Part 92, Subpart F, including particularly the following:

(a) HOMEBUYER(S) has certified that the property shall be his/her/their principal residence and that, at the time of application

and approval his/her/their annual income does not exceed Low Income as defined above.

(b) The property shall be located within the geographical area of Seminole County, Florida, and shall have an after-rehabilitation or construction appraised value not to exceed ninety-five percent (95%) (90% when used with SHIP funds) of the median sales price of the Orlando Metropolitan Statistical Area. The COUNTY has reviewed the household income and property value requirements in accordance with the HOME Program requirements and determined the subject property is eligible for funding.

(c) HOMEBUYER(S) and his/her/their successors shall maintain the property, including payment of property taxes and homeowners insurance, during the Affordability Period.

(d) The property at the time of initial occupancy by HOMEBUYER(S) shall meet HUD Section 8 Housing Quality Standards (HQS), and in the case of new construction, shall meet the Housing Quality, Site and Neighborhood Standards (HQSNS), as well as local building codes. The COUNTY has inspected the property prior to closing and has determined that it is eligible for HOME/ADDI funding.

(e) To the extent of applicability, the parties shall comply with the following HUD/HOME regulations in 24 CFR Part 92, Subpart H. The regulations are provided below. Applicable regulations are so noted.

- (1) Equal opportunity and fair housing.
- (2) Environmental review.
- (3) Displacement, relocation and acquisition:

Not applicable (activity funded is down payment, closing cost or interest rate buy-down assistance on a newly constructed unit; therefore no displacement, relocation and acquisition occurred pursuant to Federal rules).

Applicable (activity is down payment, closing cost or interest rate buy-down assistance for the purchase of an existing unit. Appropriate notices have been issued. Certification has been provided/executed ensuring that property was not occupied by a tenant for at least ninety (90) days and/or that any occupant has been voluntarily displaced by choice..

(4) Lead paint:

Applicable (Home built prior to 1978. Lead-based paint notice has been provided and unit evaluated for lead-based paint existence).

Not Applicable (Unit built after December 31, 1977).

(5) Seminole County HOME Program Conflict of Interest Policy.

(6) Flood insurance.

Section 6. Restrictions on use of funds. HOMEBUYER(S) agrees that the funds shall only be used as a subsidized private loan to lower the monthly financing costs for residential housing, i.e., principal, interest, taxes, and insurance (PITI) and to pay down payment and closing costs. The HOME funds shall be disbursed by the COUNTY to HOMEBUYER(S) at the time of loan closing.

Section 7. Retention of Reports and Records. The COUNTY shall complete all reports and maintain documentation, as applicable in accordance with 24 CFR Part 92 and Florida Statutes for a period of five (5) years from the end of the Affordability Period.

Section 8. Term of Agreement. This Agreement shall be in effect and may be enforced for the duration of the applicable Affordability Period, which may not be altered by either party hereto.

Section 9. Other Provisions.

(a) Neither party hereto shall discriminate against any person or group of persons on account of ethnicity, sex, creed, color, national origin, or disability in the performance of this Agreement.

(b) Nothing contained in this Agreement, or any act of the COUNTY or HOMEBUYER(S) shall be deemed or construed by any of the parties hereto or third persons to create any relationship of third party beneficiary, principal or agent, limited or general partnership, joint venture or any association, or relationship involving the COUNTY.

(c) If any single term or covenant of this Agreement shall be found illegal or invalid or unenforceable by a court of competent jurisdiction, said provision shall be deemed severable from the remaining provisions of the Agreement which shall remain in full force and effect.

(d) Neither party hereto shall use any funds derived under this Agreement for the lobbying of any official or branch of government of the State of Florida, the United States or any agency thereof.

SEMINOLE COUNTY, FLORIDA

Witness

By: _____
CYNTHIA A. COTO, County Manager

Print Name

Date: _____

Witness

Within authority of Resolution
No. 2006-R_____adopted _____,
2006.

Print Name

HOMEBUYER

Witness

By: _____

Print Name

Date: _____

Witness

Print Name

HOMEBUYER

Witness

By: _____

Print Name

Date: _____

Witness

Print Name

STATE OF FLORIDA)

)

COUNTY OF SEMINOLE)

I HEREBY CERTIFY that, on this ___ day of _____, 200__, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared _____ and _____, who are personally known to me or who have produced _____, as identification.

[NOTARY SEAL]

Notary Public signature