



**Housing Finance Division**

110 Northeast 3<sup>rd</sup> Street, Suite 300 • Fort Lauderdale, Florida 33301 • 954-357-4900 • FAX 954-357-8224

September 18, 2023

Cale Curtis, City Manager  
City of Margate, City Hall  
5790 Margate Boulevard  
Margate, FL 33063

RE: City of Margate Home Rehabilitation program changes

Dear Mr. Curtis:

Broward County Housing Finance Division (HFD) recently recommended the City of Margate consider changes to their home rehabilitation programs, specifically, Minor Home Repair and Special Needs/Barrier Free activities. Margate requested additional information which is below and attached.

**COUNTYWIDE PROGRAM CHART:** A chart of Countywide home rehabilitation (Rehab) and purchase assistance (PA) programs is attached, which reflect Margate **provides the lowest assistance** amount for rehab activities. Margate's PA amounts are in the median range for the County.

**SHIP:** State Housing Initiatives Partnership (SHIP) minimum expenditure requisites are:

- 1 year to encumber funds (place under contract)
- 2 years to expend (resulting in a total of 3 years from funding to expend)
- 20% minimum must be used for a Special Needs household
- 30% minimum must be used for households at or below 50% AMI
- 60% minimum must be used for households at or below 80% AMI
- 65% minimum must be for homeownership (either the current property owner or potential home buyer)
- 75% minimum must have a construction component

**SHIP REHABILITATION:** To meet these minimum requirements, the County and most Broward County cities allocates most of its SHIP funds for rehab, prioritizing on Special Needs/Barrier Free clients.

**SHIP HIGHER INCOME:** A portion of SHIP funds may be used for households over 80% AMI (between 81%-140% AMI), however, because the other SHIP minimum requirements must be met, very little remains for higher income slots. In general, the County uses this higher income client for a home rehabilitation activity, or a PA client with a household income just exceeding the 80% federal limitation guidelines.

Broward County Board of County Commissioners

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**SHIP PURCHASE ASSISTANCE:** SHIP funds may be used for PA; yet, because a minimum of 75% of SHIP funds requires a construction component, those PA transactions must have evidence of construction 12 months prior to the SHIP funding (by the seller) or 12 months after closing (by the buyer). Collecting those paid invoices and affidavits of eligible construction work is challenging; failure to provide this documentation triggers repayment or jeopardizes future allocations.

**RECENT COUNTY MANAGED PURCHASE ASSISTANCE:** In the first three quarters of Fiscal Year 22/23, HFD administered 60 closed transactions using PA funds. Condos accounted for 54 closed transactions; 6 were single-family homes (SFH). These SFHs consisted of 2 newly constructed infill homes with imbedded PA components; another 1 SFH had a restrictive covenant wherein the new buyer needed PA funds to meet the affordability requirements. Another 1 SFH transaction was a manufactured home with underlying real property. Thus, of the 60 closed transactions, there were only 2 "traditional" SFH sales without other restrictions or mitigating factors.

**TARGETED PRODUCT TYPE:** Restricting the use of either Federal (HOME or CDBG) or State SHIP funds for only the purchase of single family properties will create difficulty in deploying the funds in a timely basis, possibly triggering recapture of the unexpended funds and jeopardizing future allocations. Further, these limitations may violate fair housing requirements.

**CURRENT MARGATE REHAB PROJECTS:** 20 Margate rehab projects are now in process, of which 5 have been halted, awaiting possible changes to Margate's program.

With the information provided herein, it is our hope that Margate adopts the County's recommendations and promptly makes decisions regarding changes to their home rehabilitation programs.

Sincerely,



Suzanne Weiss, Manager  
HomeOwnership & Repair Section

encs: Countywide chart-home rehab and pa programs  
Compilation of Margate clients since 10-1-2021, all funding, all programs

C: N. Popick, Margate Assistant City Manager  
R. Stone, S. Fejes, Y. Lopez, A. Bauldree, M. Reynolds (HFD)