



# **HOUSING IMPROVEMENT PROGRAM GUIDELINES**

## **PURPOSE**

A priority of the Margate Community Redevelopment Agency (MCRA) is the elimination of slum and blighted conditions within the Community Redevelopment Area. The Housing Improvement Program helps to further this goal by providing interest-free, deferred payment loans to income-qualified homeowners for exterior improvements to their homes.

## **PROGRAM FUNDING AND ADMINISTRATION**

Funding for the program is provided by the MCRA. The program will be administered by the City of Margate's Economic Development Department with assistance from MCRA staff. Funds will be budgeted each year and applications will be processed until the budgeted amount has been committed. The MCRA may, at its discretion, designate a neighborhood or neighborhoods within the redevelopment area for prioritization of the funds, and applications from those areas will be processed first. Otherwise, applications will be processed from a waiting list on file in the Economic Development Department.

## **ELIGIBLE IMPROVEMENTS**

Homes must be:

- owner occupied (homesteaded residence)
- single family (fee simple detached or attached), and
- located within the boundaries of the MCRA area.

Funds may be used for the improvements listed below. Priority is given to correcting code violations and substandard housing conditions.

### General

- Roof replacement or repair.
- Installation of new or additional on-site paved parking and driveway apron for the required number of parking spaces.
- Reconstruction and/or repair of existing asphalt or concrete pavement.
- Reconstruction and/ or repair of sidewalks on owner's property (not City right-of-way).
- Repair or replacement of broken or energy deficient windows and doors.
- Exterior paint, including tile or cement roofs if needed.
- Replacement of mailbox and house numbers (in conjunction with other improvements)

### Landscaping

Installation and replacement of missing or dead landscaping such as sod, shade trees and perimeter hedges, where applicable, and installation/repairs to irrigation systems.

### Other

Items requested by the property owner that are not included on the above list of eligible work must be reviewed and approved on a case-by-case basis by the MCRA. Financial assistance will not be provided for abatement of property maintenance violations such as accumulation of debris, inoperable vehicles and overgrown grass and/or weeds. All work must be in compliance with the South Florida Building Code and City Codes.

## **LOAN AMOUNT, TERMS & CONDITIONS**

Loans are available to households that qualify based on U.S. Department of Housing and Urban Development (HUD) income guidelines. All income information is verified during the application process.

Low Income Households are eligible for loans covering 100% of the construction costs, for a maximum loan amount of \$20,000 (up to \$25,000 if necessary to correct substandard conditions). Low Income Households are those whose annual income does not exceed 80% of the area median income as determined by HUD, with adjustments for household size.

Moderate Income Households are eligible for loans covering 50% of the construction costs, for a maximum loan amount of \$15,000. Moderate Income Households are those whose annual income does not exceed 120% of the area median income as determined by HUD, with adjustments for household size. The homeowner's 50% share of the cost of improvements, including any approved contingency, shall be paid to the MCRA upon execution of the construction contract. Homeowner funds will be placed in an individual escrow account and released to the contractor when payments are due. Any unused funds and interest accrued after final payment is made will be returned to the homeowner.

As a condition of eligibility, property taxes and all applicable insurance policies must be current, and any existing City service charges or liens must be paid. If the review of the application shows any amount due, the applicant will be notified of the requirements before the review can proceed.

### **Deferred Payment Loan**

Funding is provided in the form of a Deferred Payment Loan (DPL) that accrues no interest, and is secured by a lien on the property for a period of five (5) years from the date of closing. The DPL does not require repayment except under the following circumstances:

- The property is sold or ownership is otherwise transferred.
- The homeowner is no longer the primary resident (i.e. property is rented out).
- The first mortgage is refinancing for equity ("cash out").
- Failure to maintain a reasonable standard of care and maintenance.

The balance of the loan will be reduced by 20% on each anniversary date of the loan for the duration of the five year term. If repayment is required due to the occurrence of one of the above listed circumstances, only the balance remaining at the time of the occurrence must be repaid.

A property may only receive assistance through this program one time.

## **LOAN APPLICATION PROCESS AND APPROVAL**

Applicants must submit a completed application and all required forms and documentation to the Economic Development Department Grants Manager. The standard checklist of required application documents will be provided by the Grants Manager. Only those owners of record as verified by the Broward County Property Appraiser's Office, or those with other supportive legal documentation are permitted to complete and submit an application for an HIP loan.

Once eligibility is verified City staff will inspect the home and prepare a work write up. A contractor is selected through a bidding process involving a pre-approved list of licensed, insured contractors. A contingency of up to 10% of the estimated repair costs may be included in the loan, provided that the total does not exceed the maximum loan amount.

Loan applications that meet all required criteria are approved administratively by the Grants Manager and the MCRA Executive Director. Applicants will enter into a Deferred Payment Loan Agreement with the MCRA stipulating the terms of and uses for the funding.

Contracts for the repair work shall be between the homeowner and the contractor, with the Grants Manager assisting with the project coordination. Periodic inspections of the work will be conducted by the City. The MCRA must approve all requests for payment.

## **SATISFACTION OF MORTGAGE/RELEASE OF LIEN**

When requested the MCRA will be responsible for sending each satisfaction of mortgage or release of a lien to Broward County for recording. The homeowner will be responsible for paying all applicable recording costs of said satisfaction of mortgage or release of lien. Acceptable payment will include: money order, cashier's check, or Title Company or Law Firm check made payable to the MCRA. No satisfaction of mortgage or release of lien shall be processed until payment of the loan has been cleared by the MCRA office or the five year expiration of the lien has been verified by City/MCRA staff.