

What is the First-time Homebuyer Program?

The City's First-time Homebuyer Program provides very-low- low- and moderate-income Miami Beach residents with down payment and rehabilitation assistance to purchase their first home.

The funds awarded to eligible residents are secured by a lien and restrictive covenant securing the City's funds that are subsequently forgiven after fifteen (15) years. If a homeowner sells, rents, or refinances his/her property or the property is no longer the primary residence prior to the 15-year affordability period, he/she must repay the City the value of the assistance as defined in the City's *Local Housing Assistance Plan* (LHAP) plus applicable profit sharing as noted in the Plan. A copy of the plan is provided online at the City's website: www.miamibeachfl.gov

Who is eligible for this program?

The City utilizes State Housing Initiatives Partnership Program (SHIP) funds and HOME Investment Partnership Program (HOME) funds to operate its First-time Homeowner Program. The program provides down payment assistance to income-eligible residents who have never owned their own home in the previous three (3) years. Eligible program participants must:

- Complete a First-time Homebuyers Training from a HUD-certified housing counselor within one year prior to application to the City's program and provide valid certificate of completion.
- Provide a minimum of two (2) percent of the target property's value in their own funds as down payment. These funds must be independently documented.
- Obtain mortgage approval from an FDIC-insured bank or mortgage lender for the balance value of the prospective property (purchase price – [owner-provided down payment + City subsidy]) or possess a qualifying FICO Score defined as 650.
- Provide proof of income and assets as well as expenses for all applicant household members
- Provide proof of residency within Miami-Dade County
- Complete a First-Time Homebuyer Application accurately and completely
- Purchase a qualifying home within the City of Miami Beach

SHIP and HOME funds require that funds prioritize service to very-low- and low-income families. According to SHIP guidelines, at least 30 percent of the funds must be reserved for awards to very-low-income persons and at least an additional 30 percent of the funds must be reserved for awards to low-income persons. The City will factor these guidelines in determining program eligibility. HOME funds require that assisted households earn no more than 80% Area Median Income (AMI).

"Very-low-income person" or "very-low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area.

"Low-income person" or "low-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area.

"Moderate-income person" or "moderate-income household" means one or more natural persons or a family that has a total annual gross household income that does not exceed 120 percent of the median annual income adjusted for family size for households within the metropolitan statistical area.

The income limits for 2024 are:

Miami-Dade County	Percentage Category	Income Limit by Number of Persons in Household							
		1	2	3	4	5	6	7	8
(Miami-Miami Beach-Kendall HMFA; Miami-Ft. Lauderdale Pompano Beach	30%-49% (Extremely Low)	\$23,850	\$27,250	\$30,650	\$34,050	\$36,800	\$41,960	\$47,340	\$52,720
Median \$68,300	50%-79% (Very Low-Low-Income)	\$39,750	\$45,400	\$51,050	\$56,750	\$61,300	\$65,850	\$70,400	\$74,950
	80%-119% (Low-Moderate)	\$63,550	\$72,650	\$81,700	\$90,800	\$98,100	\$105,350	\$112,600	\$119,900
	120% (Moderate)	\$95,400	\$108,960	\$122,520	\$136,200	\$147,120	\$158,040	\$168,960	\$179,880

What kind of assistance is available?

Income-eligible households may receive between \$40,000 to \$150,000 in down payment assistance, depending on their household income and as delineated in the City's Local Housing Assistance Plan (LHAP) availability of funding. Funds are provided to eligible residents as a deferred forgivable loan that is secured by a lien and restrictive covenant on the property. If the homeowner continues to reside in the home for 15 years, the full amount is forgiven. If the homeowner sells, rents, or refinances his/her property or the property is no longer the primary residence prior to the 15-year affordability period, he/she must repay the City the value of the assistance plus applicable profit sharing as noted in the Promissory Note, Restrictive Covenant and Mortgage executed at the time of program award and property acquisition.

Please further note that SHIP guidelines require that a portion of awarded funds be utilized for construction-related expenses that are incurred within 45 days of closing.

Program funds are contingent upon availability and will be released in accordance with the income eligibility distributions required for each funding source.

How much money can I receive for down payment assistance?

Prospective homeowners may receive between \$40,000 to \$150,000 in down payment assistance dependent on their household income and as delineated in the City's Local Housing Assistance Plan (LHAP) the availability of funding. Upon purchase, prospective homeowners must reside in the home for which assistance is being sought. As a reminder, prospective homeowners must provide a minimum of two (2) percent of the target property's value of their own funds as down payment.

The HOME program will award a maximum of \$40,000 in down payment assistance for households earning up to 80% AMI, contingent on funds availability.

The SHIP Program will award funds (contingent upon availability) based on income limits as follows:

SHIP Maximum award amounts:

1. \$50,000 (Moderate-Income)
2. \$100,000 (Low-and Very Low-Income)
3. \$150,000 (Extremely Low-Income)

Do I have to put any of my money into the purchase of the home?

Yes, prospective homeowners must contribute a minimum of two (2) percent of the value of the purchased property as down payment at the time of closing. Assisted properties cannot be used as rental properties. As a reminder, down payment funds must be verifiable. Prospective homeowners' assets cannot exceed the award amount.

Do I have to repay these funds?

No, funds do not have to be repaid as long as the assisted property is maintained as the applicant's homesteaded residence for the 15-year affordability period. However, you must ensure that your property continues to comply with all City, County and State rules, ordinances and laws during the affordability period.

If, however, a homeowner sells, rents, or refinances his/her property or the property is no longer the primary residence prior to the 15-year affordability period, he/she must repay the City the value of the assistance plus applicable profit sharing as defined in the City's *Local Housing Assistance Plan* (LHAP). A copy of the Plan is provided online at the City's website: www.miamibeachfl.gov

How do I apply for assistance?

Step 1: Application

In order to apply for assistance, eligible residents must be a United States citizen or resident who complete and submit an *Eligibility Application* and the following documentation:

- Copy of valid state-issued identification for prospective homeowner(s)
- Copy of Social Security card for prospective homeowner(s) and other household members
- Marriage/Domestic Partnership certificates, Divorce Decree (if applicable)
- Birth certificates
- Financial records for past 6 months
- Disability and pension awards, if applicable
- Evidence of all assets (including investments, real property and cash)
- Current household expenses
- Current debt service (credit cards, loans, leases, etc.)
- Copy of FPL utility bill or other utility bill for the past six (6) months
- Copy of prior two years' signed Federal Income Tax Returns for all prospective homeowner(s)
- Copy of most current six (6) months' of bank statement for all prospective homeowner(s) accounts
- Certificate of completion for First-Time Homebuyers Training from a HUD-certified counselor obtained within one year of application
- Letter of mortgage approval from FDIC-insured bank or mortgage lender for the value of the property minus homeowner down payment and City assistance.
- Credit report from the last year.

The City will review the application and initiate the underwriting process, including an income certification as prescribed by 24 CFR 5.609. The City reserves the right to verify all information provided and request a confidential credit report to determine program eligibility. The submission of false or inaccurate information may result in program disqualification. Program funds are contingent upon availability and will be released in accordance with the income eligibility distributions required for each funding source.

Once the underwriting and income certification are complete, the household will receive an award letter with the encumbered amount for the project. Please note that Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree.

Step 2: Home Selection

After the City's award letter is provided, the prospective homeowner must collaborate with the lender, title company and all other parties to submit documents required for the property closing within 45 days of the award letter issuance.

Step 3: Closing

The following documents are needed:

- Executed Sales Contract with Addendum and Closing Date
- Cancelled check of good-faith deposit for targeted property
- Approval from First Mortgage Lender
- Preliminary Closing Statements
- Title Commitment (HUD 1)
- Lien Search (from Title Company)
- Property Appraiser's Information
- H06 Insurance Certificate
- HOA/Condo Questionnaire
- Buyer's Affidavit
- Appraisal
- Inspection Report
- Insurance Certificates for Property & Condo Association
- Closing Disclosure
- Condo Approval from Board President
- Title Company Approval including
- Omissions Insurance Policy and Closing Protection Letter

Once documents are received, the lender and the City will complete the underwriting and review process and approve loan documents. The City Attorney will then form approve the City's loan documents and the closing statement. The loan commitment letter will be signed by the City Manager and sent to the lender and Closing Agent for review. No funds will be disbursed until all parties have approved the transaction as cleared to close.

What if I have more questions not answered here?

If you have any questions, please contact the City’s Office of Community Services at 305-673-7491 or by emailing your question to ship@miamibeachfl.gov.

Where do I submit completed applications?

Completed applications must be submitted in person to the Office of Housing and Community Services located at 765 17th street, Miami Beach, Florida 33139. The Office is open Monday through Friday (excluding legal holidays), 8:30 am-12:00 pm and 1:00 pm to 5pm.

Key SHIP/HOME Terms and Regulatory References

“Affordable” means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

“Eligible housing” means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the Florida Building Code or previous building codes adopted under chapter 553, or manufactured housing constructed after June 1994 and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway Safety and Motor Vehicles, for home ownership or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program.

“Eligible person” or **“eligible household”** means one or more natural persons or a family determined by the county or eligible municipality to be of very-low- income, low-income, or moderate-income according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household.

“Encumbered” means funds are allocated to a household after receiving an award letter. Funds will be dispersed upon approval after closing documents are provided by certified lender and approved title company. The City will review documents and provide a loan commitment letter once lender has provided clear to close. Funds will only be dispersed once all loan documents are signed by all parties.

“Extremely-Low-Income Person or Extremely Low-Income Household” means that the applicant/household annual income does not exceed 30% of the Income and Rent Limits for the applicable year. The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org. The Income Limits used in the HOME Program are updated annually on www.hudexchange.info.

“Loan” means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially finance the acquisition, construction, or rehabilitation of eligible housing with

requirement for repayment or provision for forgiveness of repayment if the condition of the award is maintained.

“Low-income person” or “low-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever amount is greatest.

“Sales price” or “value” means, in the case of acquisition of an existing or newly-constructed unit, the amount on the executed sales contract. For eligible persons who are building a unit on land that they own, the sales price is determined by an appraisal performed by a state-certified appraiser. The appraisal must include the value of the land and the improvements using the after construction value of the property and must be dated within 12 months of the date construction is to commence. The sales price of any unit must include the value of the land in order to qualify as eligible housing as defined in subsection (8). In the case of rehabilitation or emergency repair of an existing unit that does not create additional living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser. In the case of rehabilitation of an existing unit that includes the addition of new living space, sales price or value means the value of the real property, as determined by an appraisal performed by a state-certified appraiser and dated within 12 months of the date construction is to commence or the assessed value of the real property as determined by the county property appraiser, plus the cost of the improvements in either case.

“Underwriting” means the analysis of project assumptions and risks to ensure the project will be financially viable throughout the affordability period. The analysis will determine of the amount of HOME funds are necessary to provide financially viable housing.

“Very-low-income person” or “very-low-income household” means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest.

“Funds Distribution”

At least 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to very-low-income persons or eligible sponsors who will serve very-low-income persons and at least an additional 30 percent of the funds deposited into the local housing assistance trust fund must be reserved for awards to low-income persons or eligible sponsors who will serve low-income persons.

“Length of Loan Terms”

Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years, which continue to serve eligible persons.

“Maximum Sales Price”

The maximum sales price or value per unit and the maximum award per unit for eligible housing benefiting from awards made pursuant to this section must be established in the local housing assistance plan.

**2024 Maximum Purchase Price- Purchase Price Limit
Miami-Dade County**

Metropolitan Area	
Miami- Miami Beach- Kendall, FL HUD Metro FMR Area	\$636,806

“Maximum Per-Unit Subsidy Limits” means that the amount of HOME funds that a Participating Jurisdiction may invest on a per-unit basis in affordable housing may never exceed the per-unit dollar limits for elevator-type projects that apply to the area in which the housing is located. These limits will vary by the number of bedrooms in a unit. The maximum per-unit subsidy limits can be found on hud.gov

“Written Agreement” means that the loan documents, or written agreements must capture the project and financing terms that result from the underwriting process.

Reporting to Florida Housing Finance Corporation for SHIP Program Funds

Each county or eligible municipality shall submit to Florida Housing Finance Corporation by September 15 of each year a report of its affordable housing programs and accomplishments through June 30 immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government’s chief elected official or his or her designee. Transmittal of the annual report by a county’s or eligible municipality’s chief elected official, or his or her designee, certifies that the local housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation. The report must include, but is not limited to: (a) The number of households served by income category, age, family size, and race, and data regarding any special needs populations such as farmworkers, homeless persons, persons with disabilities, and the elderly. Counties shall report this information separately for households served in the unincorporated area and each municipality within the county.

Reporting to U.S. Department of Housing and Urban Development for HOME Program Funds

Each Participating Jurisdiction must report on the HOME program funds awarded per household within 120 days of the completion of the activity via the Integrated Disbursement and Information System. The information entered will include the project address, number of units, beneficiary income level, etc. All information should accurately reflect data provided by the household in the applicant’s file and the loan documents.