

COUNCIL AGENDA STATEMENT



Meeting Date: November 14, 2023

To: Honorable Mayor and Council Members

From: Brian Shea, Planning Director

Through: George Garrett, City Manager

Agenda Item: **Ordinance 2023-21** Of The City Of Marathon, Florida, Amending The First Time Homebuyer Assistance Program; Providing For The Repeal Of All Code Provisions And Ordinances Inconsistent With This Ordinance; Providing For Severability; Providing For Inclusion In The Code Of Ordinances, City Of Marathon, Florida; And Providing An Effective Date

BACKGROUND:

The proposed change in the definition of first-time home buyers to include those currently residing in multifamily affordable home ownership units built by Habitat for Humanity is a significant step towards promoting social mobility and homeownership opportunities for low to median-income individuals and families by freeing up habitat units. The fact that Habitat for Humanity has voluntarily removed itself from being able to access the first-time homebuyer program in the past demonstrates a commitment to prioritizing the needs of its beneficiaries and promoting equitable access to housing opportunities. By foregoing eligibility for the program, Habitat for Humanity has shown its dedication to serving low to median-income individuals and families and ensuring that the assistance they receive is directed at those who have not yet had the chance to experience homeownership.

Promoting Graduation from Affordable Housing: By allowing current occupants of Habitat for Humanity-built affordable housing units to be considered first-time home buyers, the program encourages a pathway for them to graduate from affordable housing to market-rate housing. This progression will enable these individuals and families to experience upward mobility and gain access to a wider range of housing options. As they move to market-rate housing, the affordable housing unit they previously occupied becomes available for other deserving families, creating a continuous cycle of assistance to those in need.

Ensuring Financial Stability: One of the essential eligibility criteria for Habitat for Humanity-built affordable housing is that the occupants cannot make more than 100% of the median income. By extending first-time home buyer eligibility to this group, the program ensures that individuals who are still within the income threshold are given an opportunity to transition to market-rate housing. This ensures that the occupants are financially stable enough to handle the responsibilities that come with homeownership, reducing the risk of default and foreclosure.

Financial Literacy Programs: The fact that Habitat for Humanity is now conducting financial literacy programs further strengthens the argument for including their occupants in the first-time home buyer program. These financial literacy programs equip individuals with the necessary knowledge and skills to manage their finances effectively, including

budgeting, saving, understanding mortgage terms, and maintaining a good credit score. As a result, the occupants will be better prepared for the challenges of homeownership, reducing the likelihood of financial difficulties and promoting sustainable homeownership.

Expanding Homeownership Opportunities: By allowing Habitat for Humanity occupants to qualify as first-time home buyers, the program broadens the pool of potential home buyers who can access assistance and favorable terms in the real estate market. This not only increases homeownership rates among low to moderate-income households but also contributes to a more inclusive housing market.

Social and Economic Impact: Homeownership has long been associated with various social and economic benefits, including improved stability for families, better educational outcomes for children, and increased wealth accumulation. By facilitating the transition of individuals and families from affordable housing to market-rate housing, the proposed change in definition can positively impact the overall well-being of the community.

Extending first-time home buyer eligibility to include individuals currently residing in Habitat for Humanity-built affordable housing units is a progressive and pragmatic approach. It leverages the financial stability of these individuals, their successful experience with affordable housing, and their exposure to financial literacy programs to enable a smoother transition to market-rate housing. Ultimately, this change will create a positive impact on both the individuals and the broader affordable housing landscape, fostering a cycle of support and mobility for those in need.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	<u> X </u>	<u> </u>
2. Other –Sewer Mandate	<u> </u>	<u> No </u>

FISCAL NOTE:

NA

APPROVED BY FINANCE DIRECTOR:

RECOMMENDATION:

Approval of proposed revisions to the First Time Home Buyers Program Ordinance.

Sponsored by: Garrett
Introduction Date: October 10, 2023
Public Hearing Dates: October 10, 2023
November 14, 2023
Enactment date: November 14, 2023

**CITY OF MARATHON, FLORIDA
ORDINANCE 2023-21**

**AN ORDINANCE OF THE CITY OF MARATHON, FLORIDA,
AMENDING THE FIRST TIME HOMEBUYER ASSISTANCE
PROGRAM; PROVIDING FOR THE REPEAL OF ALL CODE
PROVISIONS AND ORDINANCES INCONSISTENT WITH THIS
ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING FOR
INCLUSION IN THE CODE OF ORDINANCES, CITY OF MARATHON,
FLORIDA; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of Marathon (the “City”) has experienced a large disparity between the sales price of single-family and multi-family dwelling units and the median family income in the City;

WHEREAS, consequently, substantial savings for a down payment is required for a home purchase; and

WHEREAS, in Section 104.03 of the City’s Land Development Regulations (the “LDRs”), the City has set forth the income requirements for affordable housing in the City; and

WHEREAS, families that meet the affordable housing income criteria set forth in the LDRs find it difficult to save money for a down payment; and

WHEREAS, the City Council has provided the ability for First Time Home Buyers to more affordably acquire a first home in the Florida Keys through the First Time Home Buyers Assistance Program; and

WHEREAS, the City has established an Affordable Housing Program fund to collect fees and other amounts owing by developers and property owners in connection with affordable housing contributions under development agreements or otherwise pursuant to the LDRs; and

WHEREAS, the City Council requested that staff to begin revisions to the FTHBP in accordance with the Council’s additional deliberations and direction; and

WHEREAS, revision of the First Time Home Buyers Assistance Program is in the public interest as it will assist in expanding the privilege of home ownership to individuals of low and moderate income levels by providing no interest down payment loans.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, AS FOLLOWS:¹

Section 1. The above recitals are true, correct, and incorporated herein by this reference.

Section 2. Chapter 3, Article III, of the Code of Ordinances, City of Marathon, Florida, is hereby amended to read as follows:

ARTICLE III. FIRST TIME HOMEBUYER ASSISTANCE PROGRAM

Sec. 3-41. Definitions.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa. Words of one (1) gender include the correlative words of the other gender, unless the sense indicates otherwise. Additionally, the terms set forth below have the following meaning except where the context clearly otherwise requires:

Adjusted gross income shall have the same definition as set forth in Section 104.03 of the LDRs.

Department means the Planning Department of the City.

Director means the Director of the Planning Department of the City.

First time homebuyer means a person or persons who have not had an interest in real property for at least the past three (3) years. First time homebuyer also means any person or persons currently residing in a two or more unit Habitat for Humanity affordable housing, and would not apply to those who have already received first time home buyer funds.

LDRs means the City's Land Development Regulations set forth in Chapter 16 of the City Code.

Primary employment income refers to a person's income that is derived from at least 70 percent of employment within Monroe County.

Resident of the City means the person's principal residence and domicile is within the City.

Resident of the County but within the extended qualification area means the person's principal residence and domicile is within the Florida Keys from Big Pine Key to Conch Key.

(Ord. No. 2010-01, § 2(2-200), 2-9-2010; Ord. No. 2016-08 , § 2, 10-25-2016)

Section 3. If any section, subsection, sentence, clause, or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 4. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of said conflict.

¹ / Additions and new text are shown by underline, deletions are shown as ~~strike through~~.

Section 5. The provisions of this ordinance shall be included and incorporated in the Code of Ordinances, City of Marathon, Florida, as an addition or amendment thereto, and shall be appropriately renumbered to conform to the uniform numbering system of the Marathon Code.

Section 6. This Ordinance shall be effective immediately upon enactment.

ENACTED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 14th DAY OF NOVEMBER 2023.

THE CITY OF MARATHON, FLORIDA

Luis Gonzalez, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier
City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:

Steven Williams, City Attorney