



City of Delray Beach

100 N.W. 1st Avenue
Delray Beach, FL 33444

Cover Memorandum/Staff Report

File #: 26-0009

Agenda Date: 1/6/2026

Item #: 6.I.

TO: Mayor and Commissioners
FROM: Jeri Pryor, Director, Neighborhood and Community Services
THROUGH: Terrence R. Moore, ICMA-CM
DATE: January 6, 2026

TECHNICAL REVISION TO THE SUBORDINATION POLICY AND PROCEDURES IN THE STATE HOUSING INITIATIVES PARTNERSHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP) FY2025-2028

RECOMMENDATION:

Motion to authorize and approve the Technical Revision to the Subordination Policy and Procedures in the Local Housing Assistance Plan (LHAP) for Fiscal Years 2025-2028.

BACKGROUND:

Subsidies provided for homeownership and housing rehabilitation from various funding sources are secured through a Promissory Note and Lien agreements. All housing assistance grants require recipients to maintain ownership and residency for a specified period, which varies based on the grant amount. For the Housing Rehabilitation Program, grants of \$42,500 per unit or less are forgiven at a rate of 20% per year over five (5) years, while grants exceeding \$42,500 per unit are forgiven over ten (10) years. The Purchase Assistance Program provides up to \$75,000 in gap financing and secured through the Promissory note and forgiven at either 10 years for \$35,000 or under or 15 years between \$35,000-\$75,000.

The Affordable Housing Advisory Committee (AHAC) has agreed to revise the Subordination Policy & Procedures to authorize the City Manager to approve all subordination requests.

Staff recommendations are same. This will assist in expediting the process for homeowners facing imminent closing deadlines. Given the time-sensitive nature of subordination requests, the updated policy aims to streamline the review process and ensure faster turnaround times. Any subsequent revisions made will return to Commission for review that may be implemented during the next three years.

The AHAC will continue to review and consider the beneficiary and the City's best interests through continued member recommendations, inspector review, and requests made by the community.

CITY ATTORNEY REVIEW:

N/A

Finance Department Review:

N/A

Funding Source:

No funding is necessary.

Timing of Request:

N/A