

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 12/05 / 06 [X] Consent [] Regular [] Public Hearing

Department: Housing and Community Development

Submitted By: Housing and Community Development

Submitted For: Commission on Affordable Housing

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: a Resolution approving the Second Amendment (R2005-1885) to the Hurricane Housing Recovery Plan (HHRP) for Fiscal Year 2005-2006; modifying the funding levels for the Repair/Replacement of Post 1994 Manufactured Homes, Building Material Acquisition, Housing Re-entry/Eviction Prevention for homeowners, Land Acquisition; Owner Occupied Housing Rehabilitation and Rental Housing Programs.

SUMMARY: This Amendment is a continuation of prior recommendations from the Commission on Affordable Housing's Advisory Committee, on the implementation of the HHRP. The proposed revisions for maximum award levels to owner households are as follows: Extremely Low Income (30% or less of the area median) will increase from \$50,000 to \$75,000; Very Low Income (31% to 50% of the area median income) will increase from \$45,000 to \$55,000; Low Income (51% to 80% of the area median income) will increase from \$35,000 to \$45,000; and Moderate Income (81% to 120% of the area median income) will increase from \$30,000 to \$40,000. Additionally, proposed revisions to the funding for the following Strategies will be reduced as follows: Repair/Replacement of Post 1994 Manufactured Homes from \$500,000 to \$0; Building Material Acquisition from \$150,000 to \$0; Housing Re-entry/Eviction Prevention for homeowners from \$100,000 to \$0; the Land Acquisition from \$662,000 to \$0. Funding will increase for the Owner Occupied Housing Rehabilitation Program from \$1,925,000 to \$3,077,000; and the Rental Housing Program from \$440,000 to 700,000. Countywide (TKF)

Background and Justification:

Increased prices for construction materials and labor in Palm Beach County (PBC), along with an increased need for mold remediation, have significantly increased the cost to repair hurricane damaged homes. In addition, there is a shortage of licensed and insured contractors willing to participate in the HHRP program due to Palm Beach County's stringent insurance licensing and warranty requirements. Since there is a high demand for service and limited service providers, prices tend increase significantly. For these reasons, the subsidy increases for the Owner Occupied Housing Rehabilitation and Rental Housing Program are necessary to fully fund home repairs for County residents in need.

Attachments:

1. Proposed Resolution R-2005-1885
2. Hurricane Housing Recovery Program (HHRP) with Exhibits 1 & 2

Recommended By: Edward B. Brown 11/30/06
 Department Director Date

Approved By: Sharon G. Jones 11-30-06
 Assistant County Administrator Date

I. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes ___ No ___ Budget Account No.:
 Fund ___ Agency ___ Org. ___ Object ___ Reporting Category ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: Edward D. Brown for
 Larry D. Brown, Financial Analyst II

III. REVIEW COMMENTS

A. **OFMB Fiscal and/or Contract Dev. and Control Comments:**
Elizabeth Brown 12/1/06 OFMB DM 12-01-06 Dr. J. H. ... 12/4/06 Contract Dev. and Control 12/4/06

B. **Legal Sufficiency:**
[Signature]
 Assistant County Attorney

C. **Other Department Review:**

 Department Director

This summary is not to be used as a basis for payment.

RESOLUTION NO. R-2006 _____

A RESOLUTION APPROVING THE SECOND AMENDMENT TO THE HURRICANE HOUSING RECOVERY PLAN (HHRP) FOR FISCAL YEARS 2005-2006, MODIFYING THE FUNDING LEVELS FOR REPAIR/REPLACEMENT OF POST 1994 MANUFACTURED HOMES, BUILDING MATERIAL ACQUISITION, HOUSING RE-ENTRY /EVICTION PREVENTION FOR HOMEOWNERS, LAND ACQUISITION, OWNER OCCUPIED HOUSING REHABILITATION, AND RENTAL HOUSING PROGRAMS

WHEREAS, as part of the 2004 hurricanes that hit Florida, Governor Jeb Bush and Lieutenant Governor Jennings recommended that the Florida Legislature appropriate one-time hurricane housing recovery funds; and

WHEREAS, the approved legislation requires the establishment of a locally-administered HHRP and Delivery Goals Chart that accommodate different housing needs of different communities; and

WHEREAS, the amount approved by the 2005 Legislature is \$208 million to be allocated amongst twenty eight (28) counties for households with incomes up to 120 percent of the area median income; and

WHEREAS, Palm Beach County shall receive State funds through the Hurricane Housing Recovery Housing Assistance Plan (HHRP) (F.S. Chapter 420.907); and

WHEREAS; the HHRP for Palm Beach County's \$4,485,784 share of the allocation establishes how HHRP funds are to be allocated; and

WHEREAS, the HHRP requires local government to establish the maximum award for each strategy; and

WHEREAS, the maximum award for Owner Occupied Housing Rehabilitation will increase from \$50,000 to \$75,000 for extremely low income (30% and below of the area median income); and

WHEREAS, the maximum award for the Owner Occupied Housing Rehabilitation for very low income home buyers (31% to 50% of the area median income), will increase from \$45,000 to \$55,000; and

WHEREAS, the maximum award for the Owner Occupied Housing Rehabilitation for low income home buyers (51% to 80% of the area median income) will increase from \$35,000 to \$45,000; and

WHEREAS, the maximum award for the Owner Occupied Housing Rehabilitation for moderate income home buyers (81% to 120% of the area median income) will increase from \$30,000 to \$40,000; and

WHEREAS, the Repair/Replacement of Post 1994 Manufactured Homes funding level will decrease from \$498,590 to \$0; and

WHEREAS, the Building Material Acquisition funding level will decrease from \$150,000 to \$0; and

WHEREAS, the Housing Re-entry/Eviction Prevention funding level for homeowners will decrease from \$100,000 to \$0; and

WHEREAS, the Land Acquisition funding level will decrease from \$662,000 to \$0; and

WHEREAS, the Owner Occupied Housing Rehabilitation funding will increase from \$1,925,000 to 3,075,590; and

WHEREAS, the Rental Housing Program funding will increase from \$440,000 to \$700,000; and

WHEREAS, it is required for Palm Beach County to revise its HHRP and Housing Delivery Goals Chart specifically indicating the nature of the requested change to the previously established HHRP and Housing Delivery Goals Chart for State Fiscal Years 2005-2006; and

WHEREAS, the Board of County Commissioners find that it is in the best interest of the public for Palm Beach County to submit the Hurricane Housing Recovery Assistance Plan and Housing Delivery Goals Chart for review and approval to the State of Florida so as to qualify for Hurricane Housing Recovery funds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1. Resolution R-2006-0468 shall be amended by replacing the Hurricane Housing Recovery Housing Assistance Plan funding levels and maximum award and changing the same on the Delivery Goals Chart for 2005-2006 attached here to and made a part hereof.

The foregoing Resolution was offered by Commissioner _____ and seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

- Addie L. Greene, Chairperson** -
- John F. Koons, Vice Chair** -
- Karen T. Marcus** -
- Warren Newell** -
- Mary McCarty** -
- Burt Aaronson** -
- Jess Santamaria** -

The Chairperson thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2006.

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

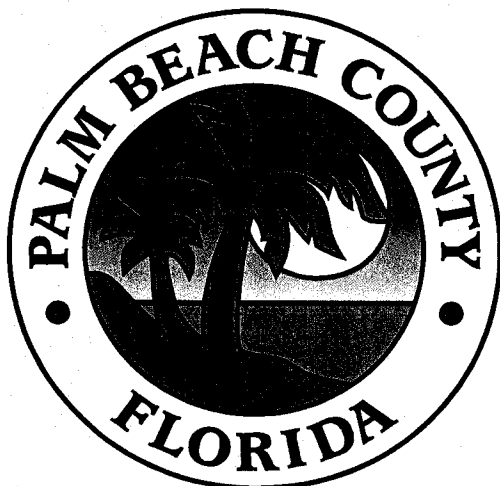
**ATTEST:
SHARON R. BOCK,
CLERK & COMPTROLLER**

By: 

Tammy K. Fields
Assistant County Attorney

By: _____
Deputy Clerk

**PALM BEACH COUNTY
HURRICANE HOUSING RECOVERY (HHR)
HOUSING ASSISTANCE PLAN**



**HURRICANE HOUSING ASSISTANCE PLAN
FOR FISCAL YEARS 2005/06, 2006-07 & 2007/08
TABLE OF CONTENTS**

Program Description	3
Strategies	
Owner- Occupied Housing Rehabilitation	3-6
Rental Housing	6-7
Land Acquisition	7-10
Repair/Replacement of Post 1994 Manufactured Homes	10-11
Building Material Acquisition	11-12
Housing Re-Entry/Eviction Prevention	12-13
Extremely Low Income Strategies	13-14
Community Planning Strategy	14
Administrative Budget	14-15
SHIP Compliance Issues	15
Exhibits	16

I. PROGRAM DESCRIPTION

A. Name of County: Palm Beach County

Base Allocation Request: \$6,401,838

Extremely Low Income Request: \$1,280,368

Community Planning Request: \$853,578

Name of participating local government(s) or other agencies in the Community Planning Strategy

Cities of Delray Beach, Boynton Beach and West Palm Beach

B. Purpose of the program; Section 420.9072, F.S. and chapter 67-37.005(3), F.A.C.

This Plan (Hurricane Housing Recovery Plan – HHRP) is created for the purpose of providing strategies to utilize Hurricane Housing Recovery (HHR) funding for housing recovery efforts for extremely low, very low, low, and moderate income households in Palm Beach County.

II. HHRP HOUSING STRATEGIES: Chapter 67-37.005(5), F.A.C.

A. Name of the Strategy: Owner-Occupied Housing Rehabilitation

a. **Summary of the Strategy:** This strategy combines the SHIP Strategies for Housing Rehabilitation, Replacement Housing, Special Needs/Barrier Free Housing, and the Disaster Mitigation/Recovery, and will be used to enhance these strategies. Funds are provided to extremely low, very low, low and moderate income homeowners to repair/replace/reconstruct/retrofit eligible single family owner-occupied units (structures of one to four dwelling units) for the purpose of upgrading substandard property to correct code violations and prevent additional deterioration and/or add needed living space. Assistance for moderate income homeowners is limited to hurricane related repairs.

b. Special Needs/Barrier-Free funding will be provided to disabled households for housing modification and barrier removal to improve accessibility and provide for health and safety repairs as needed.

Eligible homes requiring rehabilitation will be renovated to meet the County's applicable building code standards. If the maximum award combined with other public or private dollars is not sufficient to bring a home up to County's building code standards, the home will not be eligible for assistance under this strategy. However, if the rehabilitation cost is at least fifty percent or more of the fair

market value of the home, the homeowner may be referred for replacement housing under the Replacement Housing Strategy.

Eligible home repairs include but are not limited to:

- Structural components that show sign of imminent collapse
- Damage cause by fire
- Roof repair and /or replacement: complete repair or replacement of deteriorated roofing systems to eliminate substandard or unsafe roofing conditions including gutters
- Broken water pipes
- Sewer sanitation failure
- Water leaks in walls or foundation
- Door replacement including hardware
- Garage door repair/replacement
- Windows and window fixtures replacement including screens
- Roof leaks causing electrical hazard, ceiling collapse or structural damage
- Inoperable toilet, sink, tub or hot water heater
- Drywall replacement/repair
- Inoperable exterior doors and windows
- Installation of hurricane shutters (aluminum)
- Electrical failure including exposed bare wires or other imminent fire hazards
- Gas leaks
- Mold remediation
- Termite treatment and repairs
- Kitchen and bathroom remodeling
- Cracked/dangerous driveway
- Room addition to alleviate over crowding
- Interior and exterior painting
- Rewiring
- Re-plumbing
- Kitchen and bathroom remodeling to restore/remove/impede deterioration
- Repair/replace/install HVAC system
- Floor covering replacement to restore/repair deteriorated existing floor covering
- Insulation
- Repair deteriorated siding/stucco
- Repair/replace existing sprinkler system and related items
- Replace existing landscape only if hurricane damaged
- Debris removal
- Repair/replace screen and patio enclosures
- Repair/replace fence only if required by Homeowners/Condo Associations
- Repair/replace light fixtures
- Payment of Home Owners Associations fees windstorm and flood insurance (up to 12 months) including payments of fees assessed for hurricane related repairs
- Incipient building code violation that if left un-repaired will compromise the health and safety of a household

- Any other repairs identified as being in violation of applicable building code threatening the life, health and safety of the resident.

b. **Fiscal Years Covered: 2005/2006; 2006/2007; 2007/2008**

c. **Income Categories to be served:**

Extremely Low, very low, low and moderate income households as defined by the U. S. Department of Housing and Urban Development (HUD) and adopted by the State of Florida and Palm Beach County.

d. **Maximum award as noted on the Hurricane Housing Goals Chart ~~\$75,000~~**

Deleted: 50,000

The maximum award for this strategy is not automatically provided. Rather, the amount of subsidy awarded will be the maximum amount necessary to make the necessary repairs and bring the house up to building code requirements.

e. **Terms, Recapture and Default**

Funding in the amount of \$5,000 or less will be provided in the form of an unsecured grant with no recapture or deferred payment provision. Assistance of \$5,001 up to \$20,000 will be in the form of a deferred payment zero interest loan secured by a lien on the property for a period of 10 years. Assistance exceeding \$20,001 and up to the maximum award will be in the form of a deferred payment, zero interest loan secured by a lien for a period of 30 years.

No payments will be due as long as the home remains the primary residence of the original applicant. If the home is sold, leased, title is transferred, or the home ceases to be the primary residence of the applicant within the lien period, the entire amount of assistance provided must be repaid within 60 days.

If the property is sold or title is transferred to an income eligible buyer during the term of the mortgage, repayment may be waived for the owner and transferred to the buyer if the purchaser accepts the terms and conditions of the program, including the principal residence requirement and any new/additional program requirements applicable at the time of transfer. The purchaser's eligibility will be determined by the County and must be requested by the owner prior to the sale of the property. If eligible, the purchaser shall be entitled to the remainder of the owner's benefit.

f. **Recipient Selection Criteria:**

Eligible applicants will be approved for assistance on a first-come, first-qualified first served basis within the income groups subject to funding availability.

g. **Sponsor Selection Criteria, if applicable:**

No sponsors are utilized for the Owner-Occupied Housing Rehabilitation program. Applicants will be funded subject to funding availability. Funding for materials and labor may also be provided to long-term recovery organizations in Palm Beach County including non-profit and community housing organizations.

h. **Additional Information:**

In addition to being income eligible as described above, applicants must meet the following selection criteria:

- Applicant may not currently own or have assets exceeding \$200,000 (monetary gifts and real estate excluding applicant's primary residence are included in the asset calculation)
- The residence must be owner occupied
- Mortgage payments and taxes must be current / paid up to date
- Applicants must provide proof of current homeowners insurance and ownership.
- HHR funds may be combined with SHIP and/or HOME funds where needed. When HHR funds are combined with SHIP or HOME funds, any HHR loan repayment proceeds will be prorated and deposited into a separate Housing Trust Fund as required.
- Rehabilitation/repairs must be performed by a State certified licensed contractor licensed to do business in Palm Beach County.

B. Name of the Strategy: Rental Housing

- a. **Summary of Strategy:** HHR funds will be provided to for-profit and non profit organizations and individuals for site acquisition, site development, construction, impact fees, infrastructure improvements and rehabilitation of rental housing projects/developments. The goal of this strategy is to increase the supply of affordable rental housing available to extremely low, and very-low income residents of Palm Beach County. All HHR assisted units must be occupied by income eligible families and will be monitored annually for tenant eligibility.
- b. **Fiscal Years Covered:** 2005/2006; 2006/2007; 2007/2008
- c. **Income Categories to be served:** Extremely low, and very low income.
- d. **Maximum Award as noted on the Housing Goals Delivery Chart:** \$25,000.
- e. **Terms, Recapture and Default:**
The financial assistance will be secured with a mortgage and note that requires repayment at an interest rate of three percent (3%) unless made as a grant. Loans/grants will be made to qualified for-profit and non-profit organizations after analysis and approval by the Board of County Commissioners (BCC) with a minimum term of not less than fifteen (15) years. Unit affordability must be maintained for the term of the loan and rents may not exceed Fair Market Rent as established By HUD for Palm Beach County.

HHR funds may be provided as a grant in cases when the developer has a project