

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: October 6, 2009 [X] Consent [] Regular

Department: Housing and Community Development

Submitted By: Housing and Community Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends a motion to Receive and File: A Grant Agreement (No. B-08-UN-12-0013) with the U.S. Department of Housing and Urban Development (HUD) for the Neighborhood Stabilization Program (NSP) providing \$27,700,340 for the period of March 4, 2009, to March 3, 2013.

Summary: Palm Beach County was notified in October 2008 of eligibility to receive \$27,700,340 under the Neighborhood Stabilization Program. On November 18, 2008, the Board of County Commissioners (BCC) approved proposed NSP activities to address the problem of abandoned and foreclosed properties. The Department of Housing and Community Development subsequently submitted a funding application which was approved by HUD on January 8, 2009. BCC Resolution (R-2008-2154) granted the authority for the County Administrator to sign all documents related to the application for and implementation of the NSP. On March 4, 2009, HUD executed the NSP Agreement, and on March 9, 2009, the County Administrator counter-executed the Agreement.
Countywide (TKF)

Background and Justification: The Housing and Economic Recovery Act of 2008 (HERA), approved on July 30, 2008, appropriates \$3.92 billion under the Act's Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes provisions, known as **NSP**. The NSP grant is a special Community Development Block Grant (CDBG) allocation created to address the problem of abandoned and foreclosed properties. The HERA legislation mandates that the NSP must provide benefits to individuals and families whose income does not exceed 120% of the area median income. Also, at least 25% of the grant must be used to provide "housing opportunities" to very-low income persons or families whose income does not exceed 50% of the area median income. The distribution and uses of NSP funds must meet HERA requirements that funds be distributed to the areas of greatest need, including those areas with the highest percentage of home foreclosures, the highest percentage of homes financed by a subprime mortgage, areas identified by the County as likely to face a significant rise in the rate of home foreclosures, and low and moderate income areas.

Attachments:

- A. Resolution No. R-2008-2154
- B. Grant Agreement for the Neighborhood Stabilization Program (No.B-08-UN-12-0013)

Recommended By: Edward B. Sprunt 9/9/09
Department Director Date

Approved By: Sharon Q. [Signature] 9/20/09
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:


Fiscal Years:	2009	2010	2011	2012	2013
Capital Expenditures:	_____	_____	_____	_____	_____
Operating Costs:	_____	\$27,700,340	_____	_____	_____
External Revenues:	_____	5)(\$27,700,340)	_____	_____	_____
Program Income (County):	_____	_____	_____	_____	_____
In-Kind Match (County):	_____	_____	_____	_____	_____
NET FISCAL IMPACT:	<u>0</u>	<u>0</u>	_____	_____	_____
 # OF ADDITIONAL FTE POSITIONS (Cumulative):	<u>N/A</u>	_____	_____	_____	_____

Is Item Included In Current Budget? Yes X No _____

Budget Account: Fund 1109 Agency/43 Org 1423 Object various Program Code/Period various

B. Recommended Sources of Funds/Summary of Fiscal Impact: A budget amendment of \$27,700,340 was approved on February 24, 2009 (Item 5D-B) to appropriate funds for the Neighborhood Stabilization Program (NSP) grant.

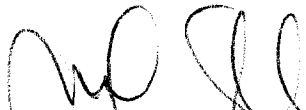
C. Departmental Fiscal Review:


9-8-09

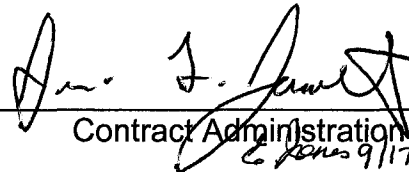
 Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:


9/16/09

 OFMB
 na 9-14-09 (14) 9/15/09 9/11


9/17/09

 Contract Administration
 9/17/09

B. Legal Sufficiency:


9/18/09

 Senior Assistant County Attorney

C. Other Department Review:

Department Director

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

RESOLUTION NO. R-2008-2154

RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO SIGN THE NEIGHBORHOOD STABILIZATION PROGRAM GRANT APPLICATION, AGREEMENT WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), AND REQUEST FOR RELEASE OF FUNDS.

WHEREAS, The State of Florida is one of the hardest hit states nationwide by the current crisis in the real estate industry; and

WHEREAS, Palm Beach County has experienced more than 12,000 homes foreclosed upon or in the foreclosure process as of September 30, 2008; and

WHEREAS, the Palm Beach County Board of County Commissioners intends to utilize all available resources to enable the full recovery of the County's housing and real estate industry from its current negative condition; and

WHEREAS, on July 30, 2008 the President of the United States signed the Housing and Economic Recovery Act of 2008 (HERA) which appropriated \$3.92 billion for emergency assistance for the acquisition and redevelopment of abandoned and foreclosed homes and residential properties; and

WHEREAS, a component of HERA called the Neighborhood Stabilization Program (NSP), granted to Palm Beach County \$27,700,340 to be used for the purchase, rehabilitation and redevelopment of abandoned and foreclosed homes and other community properties; and

WHEREAS, on September 29, 2008 Palm Beach County was officially notified of the NSP funding allocation, the application submission deadline of December 1, 2008, and the 18 month time frame for expending and/or obligating the entire NSP award.

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

The County Administrator or his designee is authorized to sign the Neighborhood Stabilization Program grant application and agreement with the U.S. Department of Housing and Urban Development (HUD), and Request for Release of Funds.

The foregoing Resolution was offered by Commissioner Marcus, who moved its adoption. The motion was seconded by Commissioner Aaronson, and being put to a vote, the vote was as follows:

KAREN T. MARCUS	-	Aye
JOHN F. KOONS	-	Aye
Burt Aaronson	-	Aye
MARY MCCARTY	-	Aye
Shelley Vana	-	Aye
JESS R. SANTAMARIA	-	Aye
Addie L. @greene	-	Aye

The Chairperson thereupon declared the Resolution duly passed and adopted this 18th day of November, 2008.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

APPROVED AS TO FORM AND LEGAL SELF SUFFICIENCY

By: [Signature]
Tammy K. Fields, Senior Asst. County Attorney

ATTEST:
SHARON R. BOCK, Clerk and Comptroller

By: [Signature]
Deputy Clerk



Attachment "B"

**FUNDING APPROVAL AND GRANT AGREEMENT FOR
NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDS
AS AUTHORIZED AND APPROPRIATED UNDER THE
HOUSING AND ECONOMIC RECOVERY ACT OF 2008
(PUBLIC LAW 110-289, JULY 30, 2008)**

NSP GRANTEE: Palm Beach County

NSP GRANT NUMBER: B-08-UN-12-0013

NSP GRANT AMOUNT: \$27,700,340

NSP APPROVAL DATE: January 8, 2009

This Grant Agreement between the Department of Housing and Urban Development (HUD) and **Palm Beach County** (Grantee) is made pursuant to the authority of sections 2301 – 2304 of the Housing and Economic Recovery Act of 2008 (Public Law 110-289 (July 30, 2008)) (HERA). The program established pursuant to section 2301-2304 is known as the “Neighborhood Stabilization Program” or “NSP.” The Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Redevelopment of Abandoned and Foreclosed Homes Under the Housing and Economic Recovery Act, 2008 published at 73 FR 58330 (October 6, 2008) (Notice); HERA; the Grantee’s submission for NSP assistance (Grantee Submission); the HUD regulations at 24 CFR Part 570 (as modified by the Notice and as now in effect and as may be amended from time to time) (Regulations); and this Funding Approval, including any special conditions, constitute part of the Grant Agreement.

Subject to the provisions of this Grant Agreement, HUD will make NSP Grant Funds in the amount of **\$27, 700, 340** available to the Grantee upon execution of this Grant Agreement by the parties. The Grantee shall have 18 months from the date of HUD’s execution of this Grant Agreement to obligate the NSP Grant Amount pursuant to the requirements of HERA and the Notice. The Grantee shall have 48 months from the date of HUD’s execution of this Grant Agreement to expend the NSP Grant Amount pursuant to the requirements of the Notice. The NSP Grant Funds may be used to pay eligible costs arising from eligible uses incurred after the NSP Approval Date provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-award planning and general administrative costs may not be paid with funding assistance except as permitted in the Notice; the Notice limits such costs to those incurred on or after September 29, 2008. Other pre-award costs may not be paid with funding assistance except as permitted by 24 CFR 570.200(h); for purposes of NSP, such costs are limited to those incurred on or after the date that the NSP substantial amendment was received by HUD.

The Grantee agrees to assume all of the responsibilities for environmental review, decisionmaking, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I of the Housing and Community Development Act, as amended (42 U.S.C. 5304) and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Grant Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

This Grant Agreement may be amended only with the prior written approval of HUD. In considering proposed amendments to this Grant Agreement, HUD shall review, among other things, whether the amendment is otherwise consistent with HERA, the Notice, and the Regulations.

The Grantee may amend its Grantee Submission; however, such amendments, including substantial amendments as defined in 24 CFR Part 91, will be subject to the requirements of 24 CFR Part 91 (or any successor regulation) and any revisions HUD may make to the Notice (or any successor Notice or regulation).

The Grantee shall at all times maintain an up-to-date copy of its Grantee Submission, including all amendments approved by HUD, on its Internet website as required by the Notice. Further, the Grantee shall maintain information on all drawdowns, deposits, and expenditures of grant funds and program income under this Funding Approval and Grant Agreement and any other records required by 24 CFR 570.506, in its files and shall make such information available for audit or inspection by duly authorized representatives of HUD, HUD's Office of the Inspector General, or the Comptroller General of the United States.

The Grantee shall submit information on performance measurement as established by the Secretary for activities undertaken with NSP grant funds.

The Grantee is advised that providing false, fictitious or misleading information with respect to NSP Grant Funds may result in criminal, civil or administrative prosecution under 18 USC §1001, 18 USC §1343, 31 USC §3729, 31 USC §3801 or another applicable statute.

Close-out of this grant shall be subject to the provisions of 24 CFR 570.509 or such close-out instructions as may hereafter be issued by HUD specifically for NSP grants.

Special Conditions are attached to this Grant Agreement.

Special Conditions to Funding Approval and Grant Agreement For
Neighborhood Stabilization Program (NSP) Funds
as Authorized and Appropriated by under the
Housing and Economic Recovery Act of 2008
(Public Law 110-289, July 30, 2008)

NSP Grantee: Palm Beach County

NSP Grant Number B-08-UN-12-0013

NSP Grant Amount: \$27,700,340

NSP Approval Date: January 8, 2009

Special Conditions:

1. Pursuant to 24 CFR 85.12 (a)(3), a special condition applies to this Grant Agreement due to the size of the NSP Grant Amount relative to your 2008 CDBG grant. Within 60 days of the date HUD signed this grant agreement, the Grantee must submit a management plan that describes how it has determined that it possesses adequate staff and other resources necessary to administer NSP grant funds. If the Grantee fails to submit this plan within 60 days, HUD may thereafter withhold authority to incur additional obligations of NSP Grant Funds.

A handwritten signature in black ink, appearing to read "J. New", is located in the lower right quadrant of the page.