

56-1

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

Meeting Date: January 11, 2011 ☐ Consent ☒ Regular  
☐ Public Hearing  
Department: Housing and Community Development  
Submitted By: Housing and Community Development

I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to: **A) authorize** the Department of Housing and Community Development to amend its FY 2010-2015 Consolidated Plan and FY 2010-2011 Community Development Action Plan to submit an application to the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program 3 (NSP3); **B) approve** eligible NSP3 activities and corresponding funding allocations; and, **C) adopt** a Resolution authorizing the County Administrator or his designee to execute the Neighborhood Stabilization Program 3 grant application, Standard Form 424, Certifications, Agreement with HUD, Subrecipient Agreements, and all other documents related to implementation of the Neighborhood Stabilization Program 3.

**Summary:** In this third round of NSP funding, the County is being allocated \$11,264,172 to assist in the redevelopment of abandoned and foreclosed residential properties in qualified target areas. HUD requires that NSP3 grantees identify areas of greatest need utilizing a HUD Foreclosure Need Mapping Tool. Based on HUD's criteria for selecting areas of greatest need and the County's desire to fund activities that have a countywide impact, staff has identified proposed target areas as delineated on Attachment A. NSP3 funds must provide benefits to individuals and families whose income does not exceed 120% of the area median income (AMI) (see attached current Income Chart). HUD Regulations also stipulate that at least 25% of the funds must be set-aside to provide permanent housing for households with incomes that do not exceed 50% of the AMI. In order to access NSP3 funds, Palm Beach County must submit an application to HUD by March 1, 2011 delineating proposed use of funds and the entity(s) that will carry out the activity(s). The following program activities are included in the County's application: **a)** \$7,321,712 million for an HCD-administered first and second mortgage homebuyer assistance program; **b)** \$2,816,043 million for a Glades Region rental redevelopment program to be carried out in partnership with the Palm Beach County Housing Authority and the Pahokee Housing Authority; and **c)** \$1,126,417 million to be used for general administration and planning activities. Delegation of signatory authority will appreciably expedite preparation of the application and the County's ability to meet HUD's deadline. The public was notified of this BCC meeting via a posting on the Department's website and a Public Notice published on December 26, 2010. These are Federal funds that require no local match. (Countywide) (TKF)

**Background and Justification:** The U.S. Department of Housing and Urban Development (HUD) is making Neighborhood Stabilization Program 3 (NSP3) funds in the amount of \$970 million available under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The HUD NSP3 Notice which advised of the availability of NSP3 funds, the application process, and terms and conditions of the grant was published on October 19, 2010. The legislation mandates that NSP3 funds must provide benefits to individuals and families whose income does not exceed 120% of the area median income. The uses of NSP3 funds are limited to activities that stabilize neighborhoods that have been damaged by the economic effects of abandoned and foreclosed properties. The County's application to HUD is due on March 1, 2011. (Continued on Page #3)

**Attachments:**

- A. Proposed Target Areas
- B. Map of Proposed Target Areas
- C. 2011 Income Chart
- D. Resolution

Recommended by: Edward W. Gompf 1/4/2011  
Department Director Date  
Approved By: Sharon G. B... 1/11/2011  
Assistant County Administrator Date



## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:


Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures					
Operating Costs		11,264,172			
External Revenues		(11,264,172)			
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT		0			

# ADDITIONAL FTE POSITIONS (Cumulative)					
---	--	--	--	--	--

Is Item Included In Current Budget? Yes \_\_\_ No \_\_\_  
 Budget Account No.:

Fund \_\_\_ Unit \_\_\_ Org \_\_\_ Object \_\_\_ Program Code/Period BG \_\_\_-GY


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

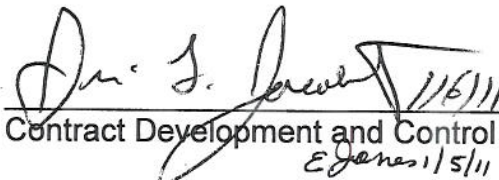
C. Departmental Fiscal Review:  1-3-11  
 Shairette Major, Fiscal Manager I

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

Fiscal impact is contingent on final award amount. Expenses will be adjusted if there is a change to the award amount so that net fiscal impact remains \$0.00.

  
 OFMB  
 JB 1/4/11 11/4/11

  
 Contract Development and Control  
 E Jones 1/5/11

### B. Legal Sufficiency:

  
 Senior Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
 Department Director

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

## **Background and Justification (continued):**

The application requires the County to select areas of greatest need in which to concentrate funding based on foreclosure index score calculations computed by HUD, to comply with "deep-targeting" requirements whereby at least 25% of the funds are reserved to benefit households at or below 50% AMI, and to identify the entities that will carry out the activities.

### **Proposed Program Activities**

Palm Beach County's proposed NSP3 application will consist of three (3) activities which will help to address the dual problems of an abundance of foreclosed or abandoned residential properties and the lack of affordable housing opportunities for households earning less than 120% of AMI.

**1) First and Second Mortgage Homebuyer Assistance Program:** This program will provide direct financial assistance to home buying households with incomes no greater than 120% AMI, to purchase foreclosed or abandoned residential properties for owner occupancy. This program will be implemented by HCD's Mortgage and Housing Assistance Section (MHA). It is recommended that \$7,321,712 (65%) in NSP3 funds be allocated to this activity. Eligible families would be required to locate homes which have been foreclosed upon and complete all negotiations with the bank or financial institution which owns the property. Upon approval of the NSP3 assistance, each homebuyer will be required to attend HUD certified housing counseling.

**2) Rental Redevelopment Program:** This program will provide loans to designated subrecipients to acquire, redevelop or rehabilitate demolished or vacant residential properties for reuse as affordable rental housing. All unpaid principal and interest will become due and payable at the end of the loan term. This program will be limited to the Glades Region of the County and will satisfy the 25% very-low income set-aside requirement of the NSP3 Program. It is recommended that the Board designate the Palm Beach County Housing Authority and the Pahokee Housing Authority as subrecipients to perform the proposed rental redevelopment activity. The designation of the housing authorities guarantees compliance with meeting the "deep-targeting" requirement and circumvents the need to competitively select subrecipients in the limited time available to complete the application. It is recommended that \$2,816,043 in NSP3 funds be allocated to this activity.

**3) Program Planning & Administration:** HUD allows 10% of the entire grant award to be utilized for planning and administrative costs associated with the NSP3 Program. It is recommended that the maximum amount, \$1,126,417 be utilized for this activity.

### **Key Program Requirements**

- The grantee must submit an application for the total allocation amount or HUD will cancel all or part of the allocation amount.
- All NSP3 funds must be expended in 3 years; 50% of the funds must be expended in 2 years from the date of HUD's approval of the Agreement or risk recapture of funds.
- Grantees must provide for the hiring of employees that reside in the areas of greatest need of NSP3 funded projects to the maximum extent feasible.
- HUD recommends that the program impact at least 20% of the real estate owned properties in the selected target area(s). HUD prefers that the funds be used in a limited geographic area to achieve the greatest measureable impact.



# NEIGHBORHOOD STABILIZATION PROGRAM - 3

## PROPOSED IMPACT TARGET AREAS

TARGET AREA ID	IDENTIFIED PROPOSED IMPACT TARGET AREA	COMMISSION DISTRICT(S)	NEIGHBORHOOD NSP3 SCORE	# OF FORECLOSURES BY COMM. DISTRICT(1)	# OF FORECLOSURES WITHIN HUD QUALIFYING AREAS(2)	TARGET GOAL OF PROPERTIES NEEDED TO MAKE AN IMPACT (2)
A	Palm Beach Gardens (Census Tracts 8.02, 9.02, 9.03)	1	18.23	2,572	166	34
G	Westgate/Belvedere Homes (Census Tracts 29.00, 30.00)	2	20	5,757	169	33
C	Central PBC - Lantana/Lake Clarke Shores Area (Census Tracts 50.00, 58.06, 58.07)	3	19.37	6,116	323	66
D	Southern PBC - West Delray (Census Tracts 59.15, 69.03, 69.07)	4 & 5	18.78	3,190 - District 4 2,759 - District 5	265	54
B	Village of Wellington (Census Tracts 77.05, 77.08, 77.24, 77.25)	6	17.97	6,660	491	98
E	Glades Area Rental Development (Census Tracts 80.01, 80.02, 81.01, 82.01, 82.02, 82.03, 83.01, 83.02)	6	20	6,660	134	25
F	West Palm Beach - Coleman Park/Pleasant City (Census Tracts 22.00, 23.00)	7	19.13	3,979	33	6
<b>TOTALS</b>					<b>1,581</b>	<b>316</b>

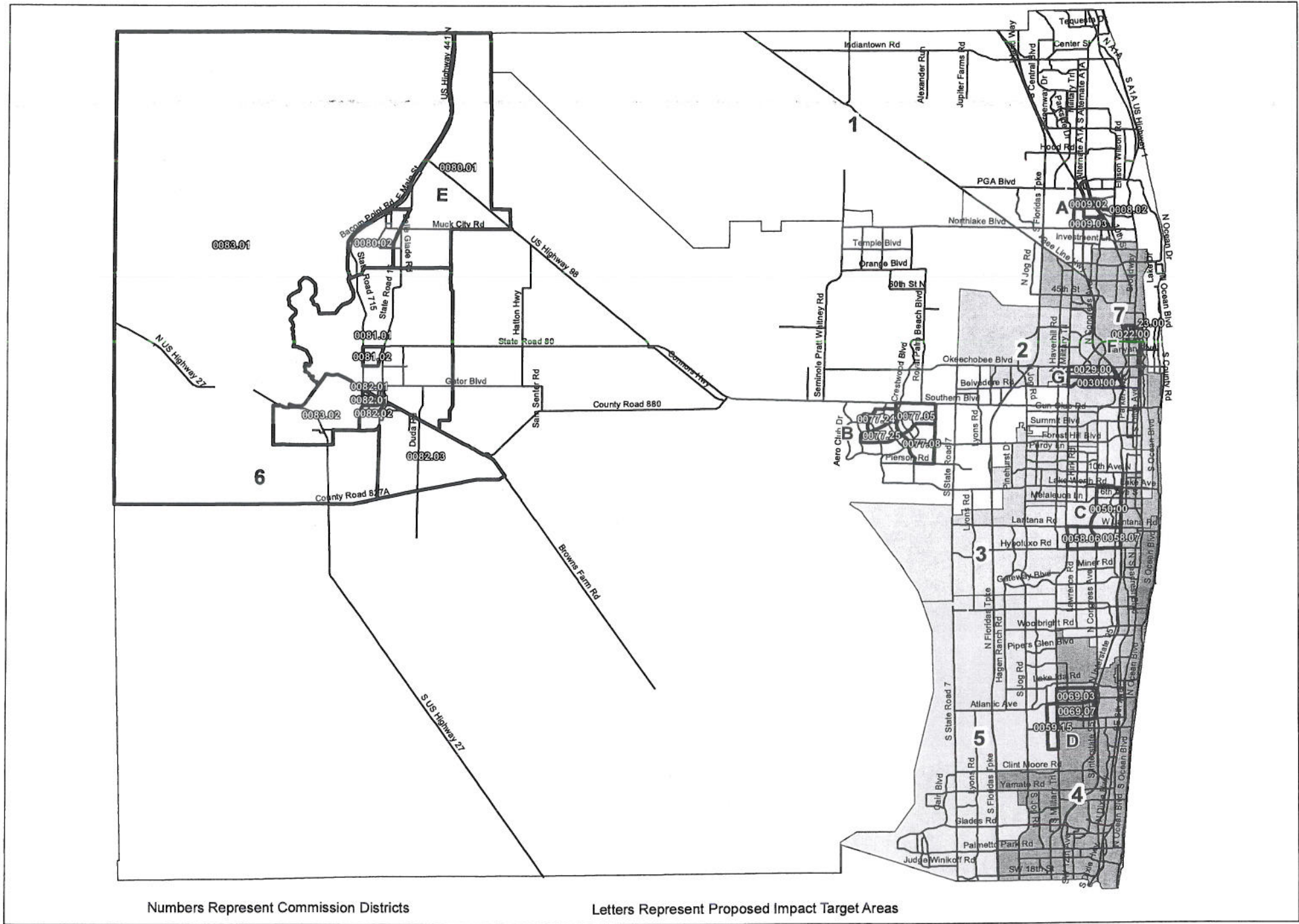
Per HUD, minimum neighborhood score must be 17

(1)

Source: [www.realtytrac.com](http://www.realtytrac.com). This number represents all foreclosures in the zip codes generally constituting a commission district as of 10/28/10.

(2)

Source: [www.huduser.org/nsp/nsp3.html](http://www.huduser.org/nsp/nsp3.html)



COMMISSION DISTRICT			
	1		4
	2		5
	3		6
			7

Census Tract  
 Target Area

### Neighborhood Stabilization Program 3- Proposed Impact Target Areas

Produced by Palm Beach County, ISS/GIS Service Bureau,  
January 3rd, 2011







**ANNUAL INCOME LIMITS  
FOR  
WEST PALM BEACH – BOCA RATON, FL  
HUD METRO FAIR MARKET RENT AREA (HMFA)  
Extracted from HUD Data, May 2010**

**FY 2010 MEDIAN FAMILY INCOME - \$67,600**

<b>Number of Persons in Household</b>	<b>Very Low Income &lt;30%</b>	<b>Low Income 31-50%</b>	<b>Moderate Income 51-80%</b>	<b>Middle Income 81-120%</b>
<b>1</b>	<b>\$15,400</b>	<b>\$25,700</b>	<b>\$41,100</b>	<b>\$61,680</b>
<b>2</b>	<b>\$17,600</b>	<b>\$29,400</b>	<b>\$47,000</b>	<b>\$70,560</b>
<b>3</b>	<b>\$19,800</b>	<b>\$33,050</b>	<b>\$52,850</b>	<b>\$79,320</b>
<b>4</b>	<b>\$22,000</b>	<b>\$36,700</b>	<b>\$58,700</b>	<b>\$88,080</b>
<b>5</b>	<b>\$23,800</b>	<b>\$39,650</b>	<b>\$63,400</b>	<b>\$95,160</b>
<b>6</b>	<b>\$25,550</b>	<b>\$42,600</b>	<b>\$68,100</b>	<b>\$102,240</b>
<b>7</b>	<b>\$27,300</b>	<b>\$45,550</b>	<b>\$72,800</b>	<b>\$109,320</b>
<b>8</b>	<b>\$29,050</b>	<b>\$48,450</b>	<b>\$77,500</b>	<b>\$116,280</b>

Source: [www.huduser.org](http://www.huduser.org)

**RESOLUTION NO. R-2011-**

**A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO EXECUTE THE NEIGHBORHOOD STABILIZATION PROGRAM 3 GRANT APPLICATION, STANDARD FORM 424, CERTIFICATIONS, AGREEMENT WITH HUD, SUBRECIPIENT AGREEMENTS, AND ALL OTHER DOCUMENTS RELATED TO IMPLEMENTATION OF THE NEIGHBORHOOD STABILIZATION PROGRAM 3.**

**WHEREAS**, The State of Florida remains one of the hardest hit states nationwide by the real estate industry crisis; and

**WHEREAS**, Palm Beach County has a significant number of homes foreclosed upon or in the foreclosure process; 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 21, 2010 the President of the United States signed the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which appropriated \$907 million for assistance in the redevelopment of abandoned and foreclosed homes known as the Neighborhood Stabilization Program 3 (NSP3); and

**WHEREAS**, on October 19, 2010 Palm Beach County was officially notified of the NSP3 funding availability, the statutory program requirements, and the application submission deadline of March 1, 2011.

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

The County Administrator or his designee is authorized to execute the Neighborhood Stabilization Program 3 grant application, Standard Form 424, Certifications, Agreement with HUD, Subrecipient Agreements, and all other documents related to implementation of the Neighborhood Stabilization Program 3.

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

KAREN T. MARCUS, Chair	-
SHELLY VANA, Vice Chair	-
PAULETTE BURDICK	-
STEVEN L. ABRAMS	-
BURT AARONSON	-
JESS R. SANTAMARIA	-
PRISCILLA A. TAYLOR	-

The Chairperson thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of January, 2011.

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

**APPROVED AS TO FORM AND  
LEGAL SELF SUFFICIENCY**

**ATTEST:  
SHARON R. BOCK, Clerk and  
Comptroller**

By:   
\_\_\_\_\_  
Tammy K. Fields, Senior Asst. County Attorney

By: \_\_\_\_\_  
Deputy Clerk