

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: July 19, 2011

☒ Consent

☐ Regular

☐ Ordinance

☐ Public Hearing

Department: Housing and Community Development

Submitted By: Housing and Community Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to Receive and File:

- A) A Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) for the Neighborhood Stabilization Program 3 (NSP3) (Grant No. B-11-UN-12-0013), providing \$11,264,172 for the period of March 11, 2011 to March 11, 2014.
- B) A Neighborhood Stabilization Program 2 (NSP2) Subrecipient Agreement in the amount of \$9,500,000 with Neighborhood Renaissance, Inc. for the period May 5, 2011 to November 15, 2012.
- C) A NSP2 Subrecipient Agreement in the amount of \$2,092,075 with the Community Land Trust of Palm Beach County, Inc. (CLT) for the period May 5, 2011 to November 15, 2012.
- D) A NSP2 Subrecipient Agreement in the amount of \$1,132,750 with the Westgate/Belvedere Homes Community Redevelopment Agency (CRA) for the period May 5, 2011 to November 15, 2012.

Summary: In accordance with County PPM CW-0-051, all delegated contracts, agreements and grants must be submitted by the initiating Department as a receive and file agenda item. The attached HUD Grant Agreement and Subrecipient Agreements have been fully executed on behalf of the Board of County Commissioners (Board) by the County Administrator or his designee in accordance with Resolution (R2011-0082) and Resolution (R2011-0559), and are now being submitted to the Board to receive and file.

These are Federal Neighborhood Stabilization Program funds which require no local match. (Planning Section) Countywide (TKF)

Background and Justification: (Continued on page 3)

Attachments:

- 1. Resolution No. R2011-0082
- 2. Grant Agreement for the Neighborhood Stabilization Program 3 (Grant No. B 11-UN-12-0013)
- 3. Resolution (R2011-0559) (for signature Authority of NSP 2 Subrecipient Agreements)
- 4. Agreement for Community Land Trust, Inc.
- 5. Agreement for Neighborhood Renaissance
- 6. Agreement for Westgate/Belvedere Homes CRA
- 7. Certificate of Insurance for Community Land Trust, Inc.
- 8. Certificate of Insurance for Neighborhood Renaissance
- 9. Certificate of Insurance for Westgate/Belvedere Homes CRA

Recommended by:

Edward W. Lomax
Department Director

6/30/2011
Date

Approved by:

Sharon J. B.
Assistant County Administrator

7/14/11
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	\$23,988,997	_____	_____	_____	_____
External Revenues	\$23,988,997	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	0	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	N/A	_____	_____	_____	_____

Is Item Included In Current Budget? Yes X No _____

A) NSP3 HUD Agreement

Budget Account No.: Fund 1113 Department 143 Unit 1428 Object various
Reporting Category various

B) Community Land Trust (\$2,092,075)

Budget Account No.: Fund 1112 Department 143 Unit 1426 Object 8101/8201
Reporting Category GY /

C) Neighborhood Renaissance (\$9,500,000)

Budget Account No.: Fund 1112 Department 143 Unit 1426 Object 8101/8201
Reporting Category GY /

D) Westgate/Belvedere Homes CRA (\$1,132,750)

Budget Account No.: Fund 1112 Department 143 Unit 1426 Object 8101/8201
Reporting Category GY /

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

Budget amendment to appropriate funds for the NSP3 Grant was approved on June 21, 2011 – Agenda Item 3I-2.

C. Departmental Fiscal Review:

[Signature] 6-29-11
Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Signature] 7/5/11
OFMB 7/5/11

[Signature] 7/13/11
Contract Dev. and Control

B. Legal Sufficiency:

[Signature] 7/13/11
Assistant County Attorney

C. Other Department Review:

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

(Continued from page 1)

Background and Justification: The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 appropriated \$970 Million to the NSP3 Program nationwide. The HUD Notice which advised of the availability of NSP3 funds, the application process, and the terms and conditions of the grant was published on October 19, 2010. The regulations mandate that NSP3 funds must provide benefits to individuals and families whose income does not exceed 120% of the area median income (AMI) and that at least 25% of the funds be set aside for permanent housing for the very low income. The County was also required to select areas of greatest need in which to direct the funding based on data provided by HUD. Use of the funds is limited to activities that stabilize neighborhoods that have been damaged by the economic effects of abandoned and foreclosed properties. The grant will be used to fund four (4) activities: (a) \$7,321,712 for a HCD administered First and/or Second Mortgage Program providing direct financial assistance to homebuyers to acquire foreclosed or abandoned residential properties for owner occupancy; (b) \$1,408,021 to the Palm Beach County Housing Authority to acquire and rehabilitate (if necessary) at least six (6) foreclosed/abandoned residential properties to be rented to very low income households; (c) \$1,408,021 to the Pahokee Housing Authority to redevelop at least six (6) housing units at a Housing Authority property to be rented to very low income households; and (d) \$1,126,417 to be utilized for general administrative and planning costs.

On February 17, 2009, the President of the United States signed the American Recovery and Reinvestment Act of 2009 (ARRA), which appropriated \$2 Billion under the Act's Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes provisions, known as the Neighborhood Stabilization Program 2 (NSP2). The ARRA legislation mandates that the NSP2 must provide benefits to individuals and families whose income does not exceed 120% of the area median income. The uses of NSP2 funds are limited to activities that stabilize neighborhoods that have been damaged by the economic effects of abandoned and foreclosed properties. No less than 25% of the total grant funding must be used to assist households whose incomes do not exceed 50% of AMI. HUD requires that NSP2 applicants identify a targeted geographic area which meets certain criteria based on foreclosure and vacancy rates provided by HUD. HCD proposed to include within its target area the Palm Beach County Urban Redevelopment Area.