Agenda Item #: 3I-2

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

December 6, 2011

[X] Consent

[] Regular

Ordinance

[] Public Hearing

Department:

Housing & Community Development

Submitted By:

Housing & Community Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Consent for Palm Beach County employee Henry Nwankwor to purchase a home acquired and rehabilitated by the Community Land Trust of Palm Beach County, Inc. (CLT), with Federal funds received under the Neighborhood Stabilization Program 1 (NSP1) as administered by the Department of Housing and Community Development (HCD).

Summary: Henry Nwankwor is employed by Palm Beach County as a Security Guard. He is an income eligible home-buyer who is seeking to purchase a home at 6095 Plains Drive, Lake Worth, Florida 33463, which was acquired and rehabilitated by the CLT using NSP1 funds. The post-rehabilitation appraised value of the property (including land and improvements), and taking into account a 99-year lease on the land pursuant to the CLT model, is \$140,000. The appraised value of the land is \$30,000. Since the CLT will hold a 99-year lease on the land to ensure long term affordability, it will sell the home (the improvements) to Mr. Nwankwor for \$110,000. Mr. Nwankwor has obtained a \$104,500 loan commitment from BankAtlantic for the purchase of the home, and will fund the difference in the purchase price plus closing costs out of pocket. Federal regulations pertaining to NSP1 require that an exception be sought from the U.S. Department of Housing and Community Development (HUD) in instances where a conflict of interest may A Conflict of Interest Exception for Mr. Nwankwor was approved by HUD on September 23, 2011, to allow this County employee to purchase this NSP1 funded home. It is HCD Policy to seek the consent of the Board of County Commissioners (BCC) whenever County employees are receiving assistance through HCD Programs. These are Federal NSP1 funds which require no local match. (CREIS) District 3 (TKF)

Background and Justification: The County entered into a Grant Agreement (R2009-1672) with HUD for the receipt of \$27,700,340 in NSP1 funds. On November 3, 2009, the BCC approved \$5,000,000 in NSP1 funding for the CLT and six (6) other recipients for the acquisition and rehabilitation of foreclosed and vacant residential properties to be leased and/or sold to income eligible households. On April 1, 2010, the County entered into an Agreement (R2010-0903) with the CLT to provide up to \$800,000 in NSP1 funds for this purpose. Amendment No. 001 (R2011-0395) to the Agreement was executed on March 15, 2011, to extend the expiration date. Amendment No. 002 (R2011-0396) to the Agreement was also executed on March 15, 2011, to increase the allocated amount to \$1,019,413.60. The net proceeds from the CLT's sale of the property will be returned to the County as program income.

Attachments:

- 1. Location Map
- 2. Copy of HUD Conflict of Interest Exception letter of September 23, 2011

Recommended By:

Department Director

Date

Approved By

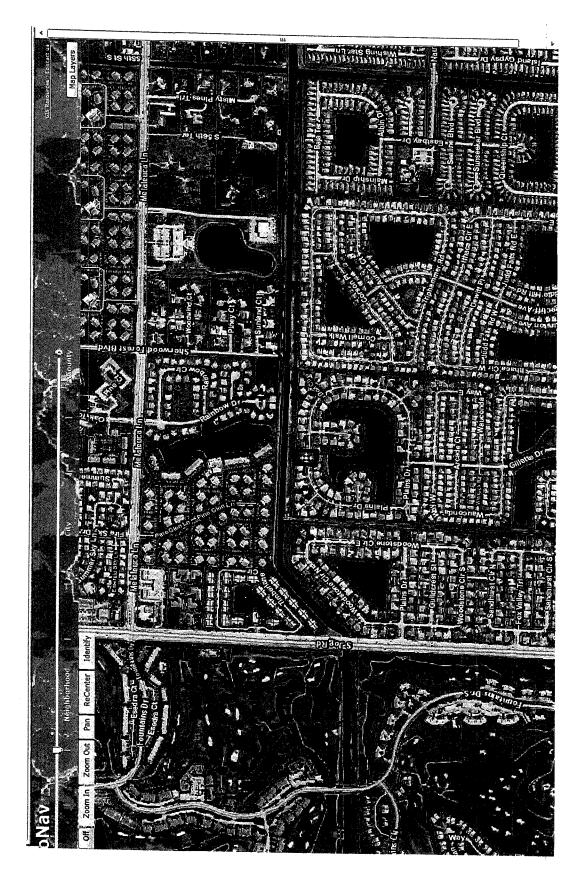
Assistant County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------|----------------|----------------|------------------------|-------------------|
| Capital Expenditures | | | | | |
| Operating Costs | | | | | |
| External Revenues | | | | | |
| Program Income | | | | | |
| In-Kind Match (County) | | | | | |
| NET FISCAL IMPACT | -0- | | | | |
| # ADDITIONAL FTE POSITIONS (Cumulative) | -0- | | | | |
| Is Item Included In Curre Budget Account No.: | nt Budget? | Yes | No | | |
| FundUept U | nitObje | ctP | rogram Code | /Period | _· |
| B. Recommended So | urces of Fund | ds/Summa | ry of Fiscal l | mpact: | |
| No fiscal impact. | | | | | |
| C. Departmental Fisc | al Review: | Shairette M | Ajor, Fiscal I | -झ →) Manager I | |
| A. OFMB Fiscal and/ | | <u>IEW COM</u> | | ol Comments | 3: |
| OFMB B. Legal Sufficiency: | 11/9/ | // Com | tract Develor | Meoloud ment and Co | 71//6) (ntrol |
| Senior Assistant Co | ounty Attorney | <u> </u> | | | |
| C. Other Department | Review: | | | | |
| Department Directo | r | - | | | |



6095 PLAINS DRIVE LAKE WORTH, FL 33463

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U.S. Department of Housing and Urban Development

Atlanta Region, Miami Field Office Brickell Plaza Federal Building 909 SE First Avenue, Rm. 500 Miami, FL 33131-3042

Mr. Edward lowery, Director Department of Housing and Community Dev. 100 Australian Avenue, Suite 500 West Palm Beach, FL 33406 Carol Tommy FIELDS ROUD SEP 26'11

September 23, 2011

Edward W. Lowery, Director

Dear Edward Lowery:

Subject: Neighborhood Stabilization Program (NSP-I) Conflict of Interest Exception Patricia Adam and Henry Nwankwor

We have reviewed the information submitted in connection with the requests for the above listed Palm Beach County employees. The employees are covered persons within the meaning of HUD's conflict of interest regulations at 24 CFR Part 570.611(c).

Palm Beach County employees, Patricia Adam, a Secretary in the County' Department of Community Services and Henry Nwankwor, a Security Officer in the Division of Electronic Services and Security, may be permitted to participate in the NSP-I, provided they:
(1) meet the eligibility criteria for receipt of benefits, (2) are not granted any preferences as City employees, (3) their applications are not considered ahead of members of the general public and (4) they do not receive more benefits or different benefits than other applicants, not employed by the City, who qualify under the program.

If you have any questions or require any additional information, please contact Elimaris Fernandez, NSP Specialist at 305-520-5020.

Sincerek

Maria R. Ortiz-Hill, Director

Community Planning and Development

HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.

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