

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					

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No _____

Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____.

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

No Fiscal Impact.

C. Departmental Fiscal Review:

Shairette Major 3-6-12
Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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

OFMB [Signature] 3/8/12
3/7/12
3/17/12
(3)

Contract Development and Control [Signature] 3/13/12
3.13.12 B. Wheeler

B. Legal Sufficiency:

Senior Assistant County Attorney [Signature] 3/14/12

C. Other Department Review:

Department Director

PALM BEACH COUNTY
PROGRAM POLICIES
NEIGHBORHOOD STABILIZATION PROGRAM 1 AND 2
RESIDENTIAL REDEVELOPMENT GRANT PROGRAM
REVISED MARCH 20, 2012

Introduction

Palm Beach County was awarded \$27,700,340 under the Neighborhood Stabilization Program 1 (NSP1) and \$50,000,000 under the Neighborhood Stabilization Program 2 (NSP2) from the U.S. Department of Housing and Urban Development (HUD) on March 4, 2009 and February 11, 2010, respectively. Both NSP Programs are administered through the County by its Department of Economic Sustainability (DES).

One component under the County's NSP1 and NSP2 Programs is the Residential Redevelopment Grant Program (RRGP). Sums of \$5,000,000 under NSP1 and \$20,130,000 under NSP2 were made available to be distributed under the RRGF for the acquisition and rehabilitation of vacant and abandoned or foreclosed residential properties for affordable resale or rental to NSP2 eligible households.

Eligible RRGF Subrecipients

Eligible subrecipients are limited to non-profit organizations, Public Agencies (including Public Housing Authorities), and Municipalities with existing interlocal agreements with Palm Beach County to participate in the CDBG Urban County Program. Non-profit organizations which apply for funding under this program must be principally located in Palm Beach County.

Eligible Properties

All properties to be acquired must meet HUD's definition of foreclosed at FR-5321-N-04.

For NSP1, all properties must be located in designated Areas of Greatest Need, as identified by the following zip codes: 33414, 33467, 33470, 33409, 33413, 33415, 33411, 33463, 33445, 33446, 33484, 33428, 33433, 33434, 33498, 33458, 33469, 33477, 33436, 33437, 33460, 33404, 33403, 33417, 33462, 33430, 33476, 33493, and 33438.

For NSP2, all properties must be located in the Palm Beach County Urban Redevelopment Area (URA) or in the Glades Region Target Area (GRTA). The approximate boundaries of the URA are Community Drive to the north, Lake Worth Drainage District (LWDD) L-14 Canal to the south, Interstate I-95 to the east, and Jog Road to the west at the farthest point (see URA map on page 3 of 3 4). The GRTA encompasses the Cities of Belle Glade, Pahokee, Canal Point and South Bay, and the surrounding unincorporated areas. It is bounded approximately by Lake Okeechobee to the west, G2 Canal Road to the south, and Ammons Rd to the north (see GRTA map on page 4 of 4). Project properties which fall within the URA and are within the municipal boundaries of the City of West Palm Beach are ineligible for NSP2 grant funding, as well as properties which are located adjacent to the URA or GRTA.

Should there be any ambiguity regarding the eligibility of a property location in relation to the NSP1 or NSP2 program requirements, final determination shall be made by the County.

Income Targeting Requirements

All housing units assisted through the RRGF must be sold or leased to households whose incomes are no greater than 80% of the currently applicable Area Median Income (AMI) for Palm Beach County. However, at least 50% of the funding awarded to each subrecipient under the RRGF must be expended on housing (rental or homeownership) for occupancy by households whose incomes are no more than 50% of the AMI.

Eligible Costs

RRGP funds may be used to fund property acquisition price, closing costs, rehabilitation, carrying costs, and related activity delivery costs. Aside from property purchase price and related costs which are paid by the County directly at closing, all other eligible RRGF expenditures incurred by the subrecipient and documented to the County's satisfaction will be paid by the County on a reimbursement basis.

Maximum Purchase Price

The maximum cost for acquiring and rehabilitating an individual housing unit through the RRGF shall not exceed \$280,000.

Purchase Discount

All properties must be purchased at a minimum discount of one percent (1%) below the current appraised market value. The subrecipient is solely responsible for the identification of eligible single-family and multi-family properties as well as completing all negotiations with the property owner.

Rehabilitation Standards

NSP1 and NSP2 assisted rehabilitation of foreclosed residential properties shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, habitability, and marketability in order to sell or rent such properties. Rehabilitation may also include improvements to increase the energy efficiency of such properties or to provide a renewable energy source or sources for such properties.

There is no maximum limit on the amount of NSP1 or NSP2 funding that may be expended on the rehabilitation of a NSP acquired housing unit. However, applicants are encouraged to purchase properties needing the least amount of rehabilitation. DES will make all final determinations as to reasonableness of rehabilitation work write-up items and costs of the same.

Affordability

All housing units acquired with NSP funds for resale to prospective homebuyers shall be sold at or below the lesser of Fair Market Value as determined by an appraisal at time of resale or the combined NSP2 acquisition and rehabilitation cost of the property. Per HUD guidelines, any amount NSP funding expended on acquisition and rehabilitation which exceeds the Fair Market Value of the property after rehabilitation will be considered a development subsidy, and shall not be recouped or otherwise encumber the NSP-assisted property. The County may allow a subrecipient to reduce the property resale price below Fair Market Value to a level to ensure affordability to the homebuyer so that the homebuyer will expend no more than 35% of income on gross housing cost. The amount of the purchase price reduction will be secured by a forgivable ~~30-year~~ second mortgage that will become due and payable ~~in full~~ upon sale, transfer of title, or cessation of the property as the homebuyer's principal residence during the ~~30-year~~ period of the mortgage. All sales must be pre-approved by the County.

Owner-occupied housing units whose acquisitions were assisted with NSP funds shall meet the affordability requirements for at least ~~30~~ 15 years from time of NSP purchase and at all times during that period remain the owners' principal residence. In the event of a resale during the period of affordability, affordability will be maintained if the home is sold to another income eligible household. If not sold to an income-eligible household, the remaining balance of the second mortgage must be repaid to the County from the proceeds of the resale. The resale price shall be subject to NSP program requirements and approval by DES.

All housing units acquired for rental purposes must be leased to eligible households at Affordable Rents, as defined by the County's NSP programs. If the property to be acquired is to be used as a rental property, the affordability provisions which will be imposed shall require the units to be affordable for at least 15 years if the property was acquired and rehabilitated, and for at least 20 years if the property was acquired and demolished/reconstructed. The entire amount of the NSP award is required to be

GLADES REGION TARGET AREA

