

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: June 5, 2012

☐ Consent
☐ Ordinance

☒ Regular
☐ Public Hearing

Submitted by: Department of Economic Sustainability

Submitted for: Westgate/Belvedere Homes Community Redevelopment Agency

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Amendment No. 002 to an Agreement (R2011-1031) with Westgate/Belvedere Homes Community Redevelopment Agency (CRA) to increase the grant amount from \$1,132,750 to \$2,441,578 and to extend the expenditure deadline date from November 15, 2012 to January 31, 2013.

Summary: On April 5, 2011, the Board of County Commissioners (Board) approved \$1,132,750 in Neighborhood Stabilization Program 2 (NSP2) funding for the CRA, pursuant to which the County entered into an Agreement with the CRA on May 5, 2011 (R2011-1031), as amended on December 20, 2011, by Amendment No. 001 (R2012-0136), for the acquisition and rehabilitation of properties. To date, the CRA has acquired 12 homes intended for rehabilitation. The extent of work required by recent building code changes have rendered the rehabilitation of six (6) of these homes infeasible thereby necessitating additional funds for the CRA in order to demolish and reconstruct these homes. In addition, these recent building code changes are also anticipated to increase construction costs associated with rehabilitation of the other six (6) homes thereby also necessitating additional funding. The time extension for the expenditure deadline provides the CRA as much time as possible to expend funds within the grant parameters for NSP2. The project approach is being modified to provide the CRA additional flexibility for the procurement of contractors, to add the demolition and reconstruction of homes as an option under the Agreement, and to update certain exhibits previously included in the Agreement. This project has very strict timelines in order to meet NSP2 expenditure deadlines. **This funding is projected to create two (2) jobs and have a five (5) year Economic Sustainability Impact of \$1,080,000. These are Federal NSP2 funds which require no local match.** (DES Contract Development) District 7 (TKF)

Background and Justification: The American Recovery and Reinvestment Act of 2009 (ARRA), signed into law by President Obama on February 17, 2009, appropriated \$1.93 Billion for NSP2. On February 11, 2010, the United States Department of Housing and Urban Development (HUD) executed a Grant Agreement with Palm Beach County providing \$50 Million in NSP2 funding. **(Continued on Page 3)**

Attachments:

1. Amendment No. 002 to the Agreement with Westgate/Belvedere Homes Community Redevelopment Agency with Exhibits I.2 to Q.1
2. Amendment No. 001 (R2012-0136) to the Agreement with Westgate/Belvedere Homes Community Redevelopment Agency with Exhibits A to Q
3. Agreement (R2011-1031) with Westgate/Belvedere Homes Community Redevelopment Agency with Exhibits A to N

Recommended By:

Department Director

4/26/2012
Date

Approved By:

Assistant County Administrator

5/8/12
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Grant Expenditures	\$1,308,828				
Operating Costs					
External Revenues	(\$1,308,828)				
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Current Budget? Yes _____ No _____

Budget Account No.:

Westgate/Belvedere Homes Community Redevelopment Agency:

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog. Code/Period N213C-GY09: \$654,414

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog. Code/Period N213C1-GY09: \$654,414

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

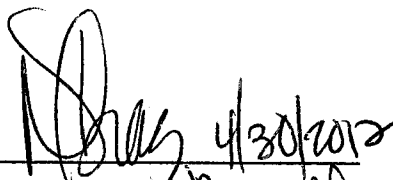
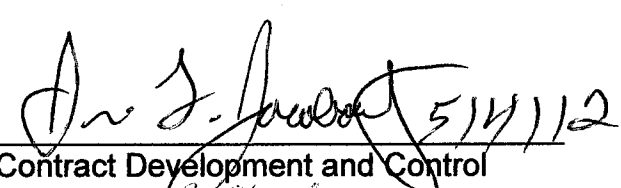
Approval of this agenda item will allocate an additional \$1,308,828 in NSP2 funds to Westgate/Belvedere Homes Community Redevelopment Agency.

C. Departmental Fiscal Review:


Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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

OFMB  4/30/12
Contract Development and Control  5/14/12
4/27/12 5-3-12 B. Wheeler

B. Legal Sufficiency:

 5/7/12
Senior Assistant County Attorney

C. Other Department Review:

Department Director

Background and Justification: (Continued from Page 1)

On November 13, 2010, the Department of Economic Sustainability (DES) issued a Request for Proposals (HCDNSP2.2010.2) (RFP) for the County's NSP2 Residential Redevelopment Grant Program (RRGP). A total of nine (9) proposals were received, of which four (4) were deemed responsive, thereby qualifying for funding consideration by the Selection Committee. The Selection Committee ranked the proposals based on the criteria established in the RFP and recommended that the following three (3) entities be awarded funding as follows: 1) the CRA in the amount of \$1,132,750, 2) the CLT in the amount of \$2,092,075, and 3) Neighborhood Renaissance, Inc. in the amount of \$9,500,000. On April 5, 2011, the Board approved these recommendations. The \$50 Million in NSP2 funding made available through the Grant Agreement also included \$12,355,175 for the Mortgage Program. The additional funding for the CRA will be reallocated from the Mortgage Program. Despite efforts to publicize the availability of Mortgage Program funds, public participation has been lacking which has resulted in a drop in the number of applications for mortgage assistance received by DES. The reluctance of potential buyers to purchase homes is attributable to the age of properties in the Urban Redevelopment Area where NSP2 funds must be used for the purchase of foreclosed homes. The lack of public participation and the need for additional funds by the CRA, coupled with HUD imposed expenditure deadlines under NSP2, has prompted DES to request Board approval to reallocate these funds.