

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	March 10, 2015	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Department of Economic Sustainability		



I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a budget amendment of \$500,000 to the Federal Home Loan Bank of Atlanta (FHLBA) Fund to appropriate funds in the Fiscal Year 2014-2015 Budget.

Summary: On December 16, 2014, the BCC approved a Memorandum of Understanding (R2014-1924) with the FHLBA for a commitment of \$500,000 from its Affordable Housing Program funds to help finance income eligible U.S. military personnel veterans and surviving spouses to purchase new homes or to purchase and rehabilitate existing homes in Palm Beach County. The Veterans Homeownership and Preservation Program (VHPP) will initially be funded with Fiscal Year 2014-2015 State Housing Initiatives Partnership (SHIP) Program funds in the amount of \$1,000,000 and matched with a FHLBA grant in the amount of \$500,000 for a total program allocation of \$1.5 million. The VHPP will leverage other Federal, State and private funding. The FHLBA requires at a minimum a 2:1 match and, if successful, FHLBA has preliminarily agreed to provide on-going funding for the program. The MOU term is from January 1, 2015 to December 31, 2015. These are FHLBA funds which require a local match that will be met with State SHIP funds. (FALS) Countywide (JB)

Background and Justification: On February 4, 2014, the Board of County Commissioners (BCC) adopted Resolution R2014-0197 authorizing Palm Beach County's participation in FHLBA's Community Investment Services Programs and designated County staff to execute documents associated with its participation. On October 21, 2014, the Board of County Commissioners approved \$1 Million in Fiscal Year 2014-2015 SHIP funds for the VHPP.

- Attachments:**
- 1. Budget Amendment
 - 2. Memorandum of Understanding (R2014-1924) with the FHLBA

Recommended By:		2-11-15
	Department Director	Date
Approved By:		2/24/15
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs	\$1,500,000				
External Revenues	(\$500,000)				
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$1,000,000				

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

Budget Account No.:

Fund 1115 Dept 143 Unit 1454 Object various Program Code/Period various/GY14

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

Approval of this agenda item will appropriate \$500,000 from the Federal Home Bank of Atlanta Fund for the Veteran's Homeownership and Preservation Program. \$1,000.000 will be provided by 2014/2015 State SHIP funds.

C. Departmental Fiscal Review:

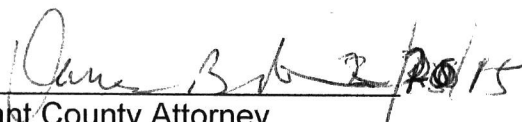

Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

 2/17/15 .  2/18/15
OFMB ⁵⁵ 2/12 2/13 ₅₀ Contract Development and Control

B. Legal Sufficiency:

 2/20/15
Assistant County Attorney

C. Other Department Review:

Department Director

**BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET AMENDMENT**

Page 1 of 1

BGEX-143-0210150000000916

BGRV-143-0210150000000449

FUND 1115 -Federal Home Loan Bank of Atlanta

Use this form to provide budget for items not anticipated in the budget.

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED	REMAINING BALANCE
<u>REVENUE</u>								
143-1454-6694	Grant From Other Non-Govt	0	0	500,000	0	500,000		
	<u>TOTAL REVENUE</u>	0	0	500,000	0	500,000		
<u>EXPENDITURES</u>								
143-1454-8301	Contribution to Individuals	0	0	500,000	0	500,000	0	500,000
	<u>TOTAL EXPENDITURES</u>	0	0	500,000	0	500,000		

Department of Economic Sustainability

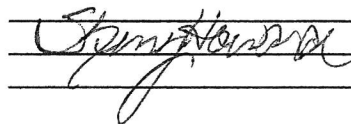
INITIATING DEPARTMENT/DIVISION

Administration/Budget Department Approval

OFMB Department - Posted

Signatures

Date



2-12-15

By Board of County Commissioners

At Meeting of :

March 10, 2015.

Deputy Clerk to the

Board of County Commissioners

R2014-1924

DEC 16 2014

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is executed by the Federal Home Loan Bank of Atlanta ("FHLBank Atlanta") and Palm Beach County ("Palm Beach County"), a political subdivision of the State of Florida, effective as of January 1, 2015, to establish a collaborative relationship between FHLBank Atlanta and Palm Beach County (collectively, the "Parties" and each individually, a "Party") for the purpose of delivering affordable housing financing through a joint operational workflow utilizing FHLBank Atlanta's Affordable Housing Program Homeownership Set-Aside Programs ("AHP Set-Aside") and Veterans Homeownership and Preservation Program (VHPP)

Recitals

WHEREAS, FHLBank Atlanta's AHP Set-Aside programs are designed to assist in funding the purchase and/or repair of owner occupied housing serving low and moderate income households; and

WHEREAS, Palm Beach County's Veterans Homeownership and Preservation program was created to provide purchase and/or rehabilitative assistance to income eligible veterans desirous or residing in Palm Beach County; and

WHEREAS, VHPP shall create or preserve affordable housing for U.S. military personnel, veterans and surviving spouses in Palm Beach County; and

WHEREAS, the VHPP is exclusively for U.S. military personnel, veterans and surviving spouses whose income is at or below 80% of the greater of the county HUD Area Median Income (AMI) adjusted for family size; or the state family median income (FMI) adjusted for family size; and

WHEREAS, Palm Beach County has set-aside a 2:1 match of funding to fund the VHPP; and

WHEREAS, Palm Beach County has selected eight local housing organizations to facilitate the VHPP; and the entities shall provide comprehensive assistance to U.S. military personnel, veterans and surviving spouses interested in participating in the VHPP; and

WHEREAS, FHLBank Atlanta's AHP Set-Aside programs and the Veterans Homeownership and Preservation program (VHPP) partnership are complimentary and share a common goal, both offering programs and products to increase affordable housing opportunities for low and moderate income households; and

WHEREAS, both Parties wish to enter into a collaborative relationship to facilitate a more streamlined and mutually beneficial process for FHLBank Atlanta shareholders and their customers to access home purchase and home repair assistance and financing that expands affordable housing opportunities for qualified low and moderate income households; and,

WHEREAS, the FHLBank Atlanta is committing \$500,000 of its Affordable Housing Program (AHP) funds to its shareholders to help finance income eligible U.S. military personnel,

veterans and surviving spouses to purchase a new or existing single family residence or rehabilitate an existing home within Palm Beach County, FL.; and

WHEREAS, Palm Beach County will use up to \$1,000,000 of its existing 2014 affordable housing funds to help finance VHPP's assistance to income eligible U.S. military personnel, veterans and surviving spouses to acquire a new or existing single family residence or rehabilitate an existing home within Palm Beach County, FL.; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants, and the agreements contained herein, the Parties hereby agree as follows:

1. **Purpose.** The Parties agree to work together to develop joint operational work flow procedures designed to streamline the application, processing, and funding requirements for FHLBank Atlanta shareholders and VHPP affordable housing customers that enable customers to access VHPP grants, forgivable loans or below market deferred payment secondary loans and, where necessary and possible, secure primary mortgage financing from FHLBank Atlanta shareholders for assistance to income eligible U.S. military personnel, veterans and surviving spouses to acquire a new or existing single family residence or rehabilitate an existing home within Palm Beach County, FL. The Parties agree to work together in good faith on the Project.
2. **Overview of Services.** The Project's terms and conditions are more specifically described and set forth in the Project Plan, a copy of which is attached hereto as Schedule A, and by this reference made a part hereof (the "Project Plan"). To the extent any conflict exists between the MOU and the Project Plan, the terms of the Project Plan shall control.
3. **Term.** This MOU shall commence on January 1, 2015 and shall terminate on December 31, 2015, provided that either Party may terminate this MOU for any cause or without cause upon thirty (30) days written notice to the other Party. Notwithstanding the foregoing, the Parties agree that any funds disbursed in connection with the Project must be received by the Federal Home Loan Bank Atlanta on or before October 2, 2015 (the "Final Application Date"). After the Final Application Date, any unused funds associated with the Project shall be released and be made available for use as determined in the sole discretion of the Party contributing such funds. This Paragraph 3 shall be binding upon the Parties.
4. **Guidelines.** FHLBank Atlanta and Palm Beach County acknowledge and agree that each Party shall perform their respective responsibilities, duties and obligations in connection with the Project in accordance with this MOU. More detailed operating standards shall be jointly developed and documented as the Parties determine the specific processes, procedures and reporting related to each element of the Project, including, without limitation, the results of the Project (the "Project Results") as further detailed in the Project Plan.
5. **No Agency.** This MOU is not intended to directly or indirectly constitute, create, or give effect to or to otherwise imply a joint venture, corporation, partnership, or any form of formal business entity, other than the collaborative relationship set forth herein. Each Party signing this MOU is acting independently. Neither Party to this MOU is intended to have, or is granted by the other Party, any authority or control over the other Party nor shall either Party have the power to bind the other Party. Nothing contained in this MOU

is intended to be construed as providing for the sharing of profits or losses arising from the efforts of either of the Parties, and each Party will be responsible for bearing the costs incurred by it in performing any activity contemplated hereunder.

6. Compliance.

- (a) Each Party represents and warrants to the other Party that the performance of its responsibilities in connection with the Project will be performed in a diligent and workmanlike manner in accordance with industry standards and best practices, and in compliance with all requirements of applicable law, including all rules, regulations, ordinances, statutes and guidelines promulgated by any applicable federal, state, or local governmental or quasi-governmental authorities, agencies or organizations, including, but not limited to, laws related to privacy, confidentiality of financial information, and debt collection, and will be performed by individuals of requisite training and skill.
- (b) Each Party represents and warrants to the other Party that it has, and will maintain, all licenses, franchises, permits, and other authorizations and approvals necessary for the lawful conduct of its operations and the performance hereunder.
- (c) Palm Beach County agrees, for purposes of the Project, to act in compliance with (i) the Affordable Housing Program ("AHP") regulations (12 C.F.R. Part 1291) and policies of the Federal Housing Finance Agency ("FHFA") as may be in effect from time to time, or the regulations in effect from time to time of any successor in interest to the FHFA and (ii) the AHP policies and procedures promulgated by FHLBank Atlanta, including, but not limited to, FHLBank Atlanta's AHP Implementation Plan (the "Implementation Plan"), and to comply in all material respects with all other applicable federal, state, and local laws, rules, regulations, ordinances, and codes relating to participation in AHP. To the extent the FHFA's regulations are inconsistent with any term or provision of this MOU, such regulations shall govern the conduct and obligations of the Parties. In the event there is a conflict between the Implementation Plan and this MOU, the terms of the Implementation Plan in effect at the time of the conflict will control.
- (d) Each Party hereby represents and warrants to the other Party that all employees or subcontractors of the respective parties that will provide services in connection with this MOU conform to the employment and hiring policies and procedures established by that Party.
- (e) INTENTIONALLY OMITTED.
- (f) Each Party agrees to practice the principles of equal employment opportunity and non-discrimination in all its business activities. To the extent that either Party contracts with any third party to acquire goods or services to be provided in connection with the Project, that Party will include in any such contract a clause requiring the third party to practice equal employment opportunity and non-discrimination in all its business activities.
- (g) If the applicable box is checked below, Palm Beach County represents and warrants that:
 - (i) Palm Beach County is a minority-owned business, (ii) Palm Beach County is a

disabled-owned business, and/or (iii) Palm Beach County is a woman-owned business. The term "minority-owned business" means a business (a) more than 50 percent of the ownership or control of which is held by one or more minority individuals, and (b) more than 50 percent of the net profit or loss of which accrues to one or more minority individuals. The term "minority" means any Black (or African) American, Native American (or American Indian), Hispanic (or Latino) American, or Asian American. The term "disabled-owned business" means (a) a Service-Disabled Veteran-Owned Small Business Concern as defined in 13 CFR 125.8 through 125.12 or (b) a business (i) more than 50 percent of the ownership or control of which is held by one or more persons with a disability and (ii) more than 50 percent of the net profit or loss of which accrues to one or more persons with a disability. The term "disability" has the same meaning as defined in 29 CFR 1630.2(g) and 1630.3 and Appendix to Part 1630--Interpretive Guidance on Title I of the Americans with Disabilities Act. The term "woman-owned business" means a business (a) more than 50 percent of the ownership or control of which is held by one or more women, (b) more than 50 percent of the net profit or loss of which accrues to one or more women, and (c) a significant percentage of senior management positions of which are held by women.

Palm Beach County is a (check all that apply):

- ☐ **Minority-owned business**
- ☐ **Disabled-owned business**
- ☐ **Woman-owned business**

- (h) Palm Beach County is a political subdivision of the State of Florida.

7. Confidentiality.

- (a) To the extent any provision herein may conflict, FHLBank Atlanta specifically acknowledges that Palm Beach County is a governmental unit subject to certain open records laws which identify information that is subject to public disclosure and necessarily govern the limits of confidential designations. FHLBank Atlanta further specifically acknowledges that upon receipt of an open records act request, Palm Beach County is legally required to produce all responsive information subject to certain enumerated categories of information not subject to production. FHLBank Atlanta understands that notwithstanding the designation of certain information subject to this MOU as "confidential," Palm Beach County is bound by the provisions of applicable open records laws. Consequently, Palm Beach County is not required to obtain FHLBank Atlanta's prior written consent when responding to a request for documents made pursuant to an open records law.
- (b) The Parties agree that any information and documents which are furnished by any Party in connection with this MOU or which are produced or are otherwise furnished to or come to the attention of any Party are proprietary and shall be used only for the purposes delineated in this MOU for the purposes of this Project, subject to applicable open records laws. This information, except for information subject to any applicable FOIA statute, (collectively, the "Confidential Information") includes, without limitation:

the terms of this MOU, technical specifications and operating manuals, descriptions and information concerning current, future, or proposed products and services; financial information; information related to mergers or acquisitions; passwords and security procedures; computer programs, software, and software documentation; customer and/or prospective client lists, secured or unsecured loan or account files, and all other information relating in any way to customers and/or prospective clients; printouts; records; policies, practices and procedures; and any and all other information, data and materials relating to the operations, trade secrets and technology of each Party, its customers, clients, affiliates and subsidiaries, any "nonpublic personal information" about the "customers" and "consumers" (as those terms are defined in Title V of the Gramm-Leach-Bliley Act and the privacy regulations adopted thereunder, all as currently or hereafter amended) of any Party; and any information subject to Section 628 of the Fair Credit Reporting Act and any regulations or guidelines adopted thereunder, all as currently or hereafter amended. Regardless of which Party owns any portions of the Confidential Information, the Parties agree that each Party shall have access to and the ability to retain any and all portions of the Confidential Information relating to the Project's operations, statistics and data, including, without limitation, any and all secured or unsecured loan data, operating manuals, bank account information, any and all other financial information, secured or unsecured files, and reports generated and obtained through the operation of the Project in order to research, analyze and determine the interim and final Project Results.

- (c) Each Party shall maintain the Confidential Information in confidence, to the extent permitted by applicable law, using the same care and discretion to avoid disclosure of Confidential Information as it uses to protect its own confidential information, but in no event less than a reasonable standard of care. Each Party agrees to take all reasonable measures (including, without limitation, such measures as it takes to safeguard its own confidential information) to ensure the security and confidentiality of all Confidential Information, to protect against anticipated threats or hazards to the security or integrity of such Confidential Information, and to protect against unauthorized access to or use of such Confidential Information, including, without limitation, the proper disposal of such Confidential Information. Each Party specifically agrees that it shall not use non-public personal information about any other Party's customers or clients in any manner prohibited by the Gramm-Leach-Bliley Act, as currently or hereafter amended. Each Party further agrees (i) to restrict disclosure of Confidential Information solely to persons who need to know the Confidential Information in order to perform under this MOU, (ii) not to disclose any Confidential Information to any third party and not to copy Confidential Information without the prior written consent of the other Party, except that with respect to FHLBank Atlanta's primary federal regulator, the FHFA, FHLBank Atlanta may disclose without written consent or notice to Palm Beach County, and (iii) promptly upon a Party's becoming aware that any third party has received Confidential Information due to such Party's act or omission, to inform such third party of the confidential nature thereof and to obtain such third party's written agreement to abide by the obligations set forth herein, except with respect to the FHFA, as set forth in the preceding provision (ii).
- (d) The obligations imposed under this MOU shall be subject to legally compelled disclosure as provided below and shall not apply to Confidential Information that is (i) made public

by the Party which owns such Confidential Information, (ii) generally available to the public other than by a breach of this MOU, or (iii) rightfully received from a third party having the legal right to disclose the Confidential Information free of any obligation of confidentiality. Regardless of which Party may own any or all of the information, statistics, and data contained in the Project Results, no Party shall publish the Project Results or any information related to this Project in any written publication without the prior written consent of the other Party. However, the previous sentence shall not limit any Party from sharing the existence of this Project and the benefits thereof (including, without limitation, the results on a macro level) with other parties interested in conducting projects similar to the Project, provided that the identity of the Parties is not disclosed. In the event that any Party becomes legally compelled (through open records laws, by deposition, interrogatory, request for documents, subpoena, civil or criminal investigative demand, or similar process or by any other judicial, administrative, or governmental order having the force of law) to disclose any Confidential Information, such Party shall provide notice to the Party which owns such Confidential Information, but only to the extent permissible under applicable law. A party subject to legal disclosure of information shall furnish only that portion of the Confidential Information which, in the judgment of its legal counsel, is legally required and shall exercise reasonable efforts to obtain assurances that confidential treatment will be accorded the Confidential Information. Violation of this Paragraph 7 by any Party shall be a basis for termination of this MOU by the other Party immediately upon such other Party's giving notice of such violation and termination therefore to the violating Party. Production of information in response to an open records law request shall not constitute a basis for termination of this MOU. Neither Party shall have access to any portions of the other Party's network or processing system through any direct means.

(e) This Paragraph 7 shall be binding upon the Parties.

8. **Indemnification.** To the extent permitted by applicable law, Palm Beach County and FHLBank Atlanta shall each indemnify and hold harmless the other Party and such other Party's directors, officers, shareholders, employees and agents from and against any and all injuries, damages, losses, liabilities, claims, judgments and settlements (including, without limitation, all reasonable costs, expenses and attorney fees) arising from or related to (a) any negligent or willful act or omission by the indemnifying Party or its subcontractors, officers, agents or employees or (b) any breach of any of the indemnifying Party's binding representations, warranties, or agreements in this MOU. This Paragraph 8 shall be binding upon the Parties.
9. **Subcontracts and Assignment.** Neither Party shall assign, in whole or in part, any of its respective rights under this MOU without the other Party's prior written consent. The Parties shall neither subcontract, nor allow any third party to assume, any portion of their respective obligations under this MOU without the other Party's prior written consent. Notwithstanding the preceding sentence, the Bank acknowledges and agrees that Palm Beach County may engage third parties to perform certain services with respect to the rehabilitation of residential units in connection with the Project. Palm Beach County has selected eight local housing organizations to facilitate the VHPP; and the entities shall provide comprehensive assistance to U.S. military personnel, veterans and surviving spouses interested in participating in the VHPP. Palm Beach County shall be solely responsible for the selection, engagement and management of any third

parties that perform work in connection with rehabilitation of residential units, and Palm Beach County shall ensure that such work is fully performed as set forth in the agreed upon scope of work and in accordance with all applicable laws, regulations, building codes and generally accepted industry standards. This Paragraph 9 shall be binding upon the Parties.

10. **Governing Law.** This MOU shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflicts of law rules. This Paragraph 10 shall be binding upon the Parties.
11. **Amendments/Modifications.** No amendment to, or change, waiver or discharge of, any provision of this MOU shall be valid unless made in writing and signed by an authorized representative of each of the Parties. This Paragraph 11 shall be binding upon the Parties.
12. **Severability.** If any provision of this MOU is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this MOU, if capable of substantial performance, shall remain in full force and effect. This Paragraph 12 shall be binding upon the Parties.
13. **Use of Name.** Neither Party shall use the other Party's name, trademarks and/or logos for advertising or any other similar purpose including, without limitation, brochures, advertisements, press releases, testimonials, websites, customer reference lists or other implied or expressed endorsements, without the prior written consent of such other Party, which consent may be withheld in the sole discretion of such other Party. This Paragraph 13 shall be binding upon the Parties.
14. **Notices.** All notices shall be sufficient if in writing and sent to the respective addresses set forth below (or as hereafter modified by notice given by a Party in accordance with this Paragraph 14) and shall be deemed to have been given (a) when delivered by private carrier or reputable overnight carrier with package-tracing capability or (b) on the third business day after mailing, if by registered or certified mail, postage prepaid, return receipt requested.

IF TO FHLBANK OF ATLANTA:

FHLB Atlanta
1475 Peachtree St. NE
Atlanta, GA. 30309

ATTN: Arthur Fleming, Director of
Community Investment Services

IF TO THE Palm Beach County:

Palm Beach County
100 Australian Ave. N, 5th Floor
West Palm Beach, FL 33406

ATTN: Edward W. Lowery, Department of
Economic Sustainability Director

15. **Insurance.** During the term of this MOU, each Party shall obtain and/or continue to maintain, at its own expense, appropriate surety bonds or insurance coverage (including self-insurance) as reasonably determined by each Party in its sole discretion.
16. **Entire Agreement.** This MOU constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral and written representations, understandings or agreements between the Parties with respect to such subject matter (collectively, "Prior Understandings"); and if there is a conflict between this MOU and any Prior Understandings, this MOU shall be the final expression of the Parties' intent and shall

prevail over any inconsistent terms set forth in any Prior Understandings. This Paragraph 16 shall be binding upon the Parties.

17. **Execution in Counterparts.** This MOU may be executed in separate counterparts by the Parties, and all counterparts when taken together shall constitute one fully executed MOU between the Parties. This Paragraph 17 shall be binding upon the Parties.

ACCEPTED AND AGREED TO:

FHLBank Atlanta:

Federal Home Loan Bank of Atlanta

By: _____

Name: Arthur Fleming

Arthur L. Fleming
Senior Vice President

Community Investment Services

Title: Senior Vice President, Director of Community Investment Services

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Palm Beach County:

(COUNTY SEAL BELOW)

PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida

BOARD OF COUNTY COMMISSIONERS

By: _____

Shelley Vana
Shelley Vana, Mayor
Palm Beach County

ATTEST: Sharon R. Bock,
Clerk & Comptroller

By: _____

Deputy Clerk

Document No.: _____

R2014-1924

DEC 16 2014

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: _____

Tammy K. Fields,
Chief Assistant County Attorney

By: _____

Sherry Howard
Sherry Howard,
Deputy Director

Schedule A

PROJECT PLAN

[to be attached]



SCHEDULE A
PROJECT PLAN

VETERANS HOMEOWNERSHIP AND PRESERVATION PROGRAM
TERMS AND CONDITIONS

The Palm Beach County program Terms and Conditions by and between Palm Beach County (also referred to as "PBC" or the "Entity") and the Federal Home Loan Bank of Atlanta ("FHLBank Atlanta" or the "Bank") constitutes the "Project Plan" as contemplated by that certain Memorandum of Understanding of even date herewith executed by PBC and FHLBank Atlanta (the "MOU"), and the terms of that MOU are incorporated by reference herein.

Description

PBC and the FHLBank Atlanta agree to collaborate on an affordable housing finance initiative to advance the mutual strategic objectives of the parties. The initiative will be known as the PBC Veterans Homeownership and Preservation Program ("VHPP"). VHPP will be funded by the State Housing Initiative Partnership Program (SHIP) and by the Bank under its Structured Partnership Product (SPP) of the AHP Set-aside Program. Funding will provide first and/or subordinate mortgage loan assistance to income eligible U.S. military personnel, veterans and surviving spouses to acquire a new or existing single family residence or rehabilitate an existing home within Palm Beach County. The eligibility, intake, processing, approval, funding, and post-funding requirements of the collaboration between PBC and the Bank will proceed as per the following terms and conditions:

1. **Parties**
 - A. Palm Beach County
 - B. Federal Home Loan Bank of Atlanta
2. **Eligible Borrowers**
 - A. Home Purchases
 - i. Homebuyers who have served in any branch of the US military, or their surviving spouses;
or
First-time homebuyers currently serving in any branch of the US military; and
 - ii. Households at or below 80% of the greater of the county HUD Area Median Income (AMI) adjusted for family size; or the state family median income (FMI) adjusted for family size; and
 - iii. Applicants must have legal residency in the United States; legal residency is defined by Homeland Security Act,



HUD, and the State of Florida.

B. Home Rehabilitation

- i. Current homeowners who are serving or have served in any branch of the US military, or their surviving spouses
- ii. Households at or below 80% of the greater of the county HUD Area Median Income (AMI) adjusted for family size; or the state family median income (FMI) adjusted for family size
- iii. Applicants must have legal residency in the United States; legal residency is defined by Homeland Security Act, HUD, and the State of Florida.

3. Eligible Properties

A. Home Purchases

- i. Eligible borrower purchase of:
 - a. An existing, for-sale home
 - b. Vacant homes for acquisition and rehabilitation
 - c. Vacant lots for acquisition and new home construction

B. Home Rehabilitation:

- i. Existing owner-occupied homes in need of basic rehabilitation

4. Funding Allocation and Sources

A. PBC:

- i. The total amount of PBC grants shall be a minimum of \$1,000,000
- ii. Funding provided through Palm Beach County via its SHIP funding
- iii. Note: Palm Beach County will serve as a first mortgage lender of last resort if applicants demonstrate their inability to receive a first mortgage loan from a traditional lender; however, in the event PBC acts as lender, 1st Mortgage financing will not be counted towards the 2:1 program match. PBC First mortgage funding is contingent upon availability.

B. FHLBank Atlanta:

- i. The total amount of grants shall be a minimum of \$500,000
- ii. Funding provided under the Structured Partnership Product (SPP) of the AHP Set-aside program

C. PBC and FHLBank Atlanta shall provide 2:1 matching grants that shall follow through on a transaction by transaction basis.

5. Eligible Funding Uses

A. PBC

- i. Eligible uses include lot acquisition with single family housing development, downpayment purchase assistance, closing costs, barrier free ADA rehabilitation, repairs to



correct code violations, or incipient items that will become a code violation

- ii. Please see Appendix II for eligibility requirements surrounding the owner-occupied rehabilitation transactions.

B. FHLBank Atlanta

- i. Eligible uses include down payment, closing cost, counseling, or rehabilitation assistance in connection with the purchase or rehabilitation of an eligible property to be used as the eligible borrower's primary residence.

6. Maximum Funding per Unit and Lien Positions

A. Home Purchases

First Mortgage:

- a. FHLBank Atlanta member financial institutions (members) or their subsidiaries or affiliates make first mortgage home purchase loan to program participants. Exceptions may be granted on a case by case basis at FHLBank Atlanta's discretion.
- b. Note: Palm Beach County will serve as a first mortgage lender of last resort if applicants demonstrate their inability to receive a first mortgage loan from a traditional lender; however, in the event PBC acts as lender, 1st Mortgage financing will not be counted towards the 2:1 program match. PBC First mortgage funding is contingent upon availability.

Subordinate Financing: PBC

- a. Funding will be provided in the form of a forgivable deferred mortgage with no payments and a zero percent (0%) interest, for up to 15 years, based upon the total amount assistance
 - i. Grants not to exceed \$100,000 per unit, based on established affordability guidelines, See Appendix I for matrix.
 - ii. A grant for project delivery costs will be included per income category, as reflected on the HUD-1.

Subordinate Financing: FHLBank Atlanta

- a. Grants not to exceed \$15,000 per unit
- b. The FHLBank Atlanta member is responsible for ensuring that the note and mortgage are enforceable for a 60 month term and amortization period



- c. No interest or principal payment
- d. Forgivable deferred subordinate mortgage with no payments and a zero percent (0%) interest, for up to 5 years

B. Home Rehabilitation

- i. PBC will provide grants to support the home repairs of existing homeowner occupied eligible units.
 - a. See Appendix I for established affordability guidelines, including term and amortization schedule
- ii. FHLBank Atlanta will provide grants not to exceed \$15,000 per unit. Second or third lien position securing rehabilitation assistance for home repairs
 - a. The Member is responsible for ensuring that the note and mortgage are enforceable for a 60 month term and amortization period
 - b. No interest or principal payment

7. Eligible First Mortgage Loans

- A. FHLBank Atlanta members or their subsidiaries or affiliates making the first mortgage home purchase loan to program participants.
 - i. Acceptable forms of first mortgage financing include:
 - a. Bank portfolio loans
 - b. Conventional
 - c. FNMA
 - d. FHA
 - e. VA

8. Borrower's Funds

- A. Home Purchases
 - i. Borrower contribution must be a minimum of \$1,000
 - ii. FHLBank Atlanta funding is provided as a 4 to 1 homebuyer match
- B. Home Rehabilitation
 - i. Not applicable

9. Start Date of MOU

January 1, 2015

10. End Date of MOU

December 31, 2015

As of 3-Dec-14

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11. **Application Acceptance Period**

January 20, 2015, start of application acceptance period and October 2, 2015, date by which all applications must be received by FHLBank Atlanta
12. **Product Specific Application Documentation**

Proof of eligibility is required at the time of application submittal. Veteran must present DD-214 at the time of intake.
13. **Pre-Disbursement Documentation**

Standard FHLBank Atlanta documentation as detailed in the AHP Set-aside Products Documentation Requirements and AHP Income Documentation Requirements as published on the FHLBank Atlanta website
14. **Post-Disbursement Documentation**

Standard FHLBank Atlanta documentation as detailed in the AHP Set-aside Products Documentation Requirements as published on the FHLBank Atlanta website
15. **Lender Rotation and Participation**
 - A. Interested applicants will self-select a lender they wish to work with from the list of VHPP Participating Lenders
 - B. If an FHLBank Atlanta member is interested in being included on this list, the member shall contact the FHLBank Atlanta indicating their interest.
 - C. FHLBank Atlanta and PBC shall develop a streamlined and standardized transaction process for FHLBank Atlanta member, including standardized prequalification, underwriting, closing process, and conflict escalation procedures.
16. **Fees**
 - A. Payable to PBC
 - i. For purchase transactions, acceptable fees must be shown at closing in HUD-1
 - ii. For owner occupied rehabilitation transactions, up to 4% of hard costs excluding inspector and third-party fees
 - iii. If using the County's inspector, PBC may assess a maximum of \$150 per rehabilitation application, upon closing
 - B. Payable to FHLBank member financial institution
 - i. For owner occupied rehabilitation transactions, the total member fees may not exceed 3% of the total hard cost excluding third party fees such as recording and attorney fees and all other soft costs listed on the Cost Certifications
 - C. Payable to FHLBank Atlanta
 - i. No fee will be assessed



Appendix I

Palm Beach County Subordinate Mortgage Lien/Amortization Schedule

<u>Funding Award</u>	<u>Lien</u>	<u>Amortization Period</u>
<u>Amounts</u>		
\$0 - \$15,000	5 years Affordability	Secured by Mortgage and Note without amortization and deed restriction
\$15,001 - \$45,000	10 years Affordability	Secured by Mortgage and Note with amortization, reducing principal amount owed by 10% annually and deed restriction.
\$45,001 - \$75,000+	15 years Affordability	Secured by Mortgage and Note with amortization, reducing principal amount owed by 10% annually and deed restriction.



Appendix II

Eligibility Requirements for Owner-Occupied Rehab

1. Eligible Third Parties

Rehabilitation/repairs will be performed by a State certified licensed contractor licensed to do business in Palm Beach County. The home owner must utilize the contractors within Palm Beach County's Facilities and Operations' Residential Repair Program or contractors from the Department of Economic Sustainability's approval contractor's list.

Palm Beach County has selected eight local housing organizations to facilitate the VHPP; and the entities shall provide comprehensive assistance to Veterans interested in participating in the VHPP.

2. Eligible Repairs

Eligible repairs for barrier removal modifications include: ADA/UFAS compliant repairs, installations and modifications (*for things such as widening of doors, and installation of accessible doors and hardware*), widen halls, kitchens, bathrooms and bedrooms to accommodate mobility aides (*canes, walkers, wheelchairs and scooters*), Energy Star rated products should be used whenever available, installation of grab bars, entry ramps, railings, walkways landings, and elevators/lifts. Installation, repair and relocation of light switches, electrical outlets, thermostats and other environmental controls in accessible locations. Installation of non-slip floor surfaces throughout the home, installation of lever hardware, delayed opening and closing mechanism on egress and garage doors, improved lighting, accessible appliances which include but not limited to front or touch-type controls, installation of accessible cabinets, shelves, drawers, sinks, toilets, kitchen and bathroom, installation and provision of assisted technology products to increase accessibility in the home (*shower chair, hand accessible touch-type light switches and thermostats, hand held shower, non-slip surfaces roll-in with or without curb shower*), alternative communication devices, hurricane impact windows and doors, accommodations for service or companion animals,

Other repairs may include: roof repairs and/or replacement, complete repair or replacement of deteriorated roofing systems to eliminate substandard or unsafe roofing conditions, window repair, replacement and weather-stripping, re-wiring, re-plumbing, termite treatment and repair, interior wall repairs and painting, a/c and heating systems repair or replacement and repair cracked or hazardous driveway and/or sidewalks.