Agenda Item #: 3B-2 PALM BEACH COUNTY **BOARD OF COUNTY COMMISSIONERS** AGENDA ITEM SUMMARY

Meeting Date:	February 26, 2019	[] Consent [] Ordinance[]	[X] Regular] Public Hearing	
Department:	County Administration			

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: amend the Workforce Housing Program (WHP) Financial Assistance Strategy to incorporate the inclusion of a \$3,000 "Buyer Finder's Fee" for Realtors & Not-for-Profit agencies assisting in the identification of buyers and closing of WHP units.

Summary: Staff is seeking BCC approval to amend the WHP trust fund to allow the in-lieu dollars to also be used to pay a \$3,000 "Buyer Finder's Fee" to realtors and not-for-profit agencies. Currently, there are 131 WHP units available for sale by three developers, Attachment 1. The developers are required to market the units in the same manner as the market rate units. To augment the developers' marketing efforts, the County also markets the units on our webpage and through various outreach efforts. Those efforts have resulted in approximately 500 people attending the WHP orientation sessions conducted by Housing & Economic Sustainability staff with an additional 300 people registered for upcoming sessions in the next two weeks. At this point, 15 homes have been sold and now occupied with 11 homes currently under contracts in various closing stages. The remaining 131 units must be sold at the applicable price points within the specified timeframe in accordance with the Unified Land Development Code or brought out by the County. Otherwise, the developers are allowed to request release from their WHP obligation, pay a significantly reduced inlieu fee (~\$40,000) and convert the units to market rate. In an effort to increase the County's marketing efforts and sale of the WHP units, staff would like to partner with realtors and not-for-profit agencies who are professional experts at connecting pre-qualified buyers with for-sale properties.

Staff held a special Realtor & Not-for-Profit Agencies roundtable last week to discuss the increased marketing of the WHP and potential \$3,000 "Buyer Finder's Fee" and received buy-in from those in attendance. Currently, the going rate for realtors' commissions is typically 6% of the purchase price which is split if there is a buyer and seller realtor. Staff developed the "Buyer Finder's Fee" on the basis of the 3% for a buyer's realtor. Taking that into account and based on the lowest and highest price points of the workforce housing units (\$156,300-\$289,770), the realtors' commission would range from \$4,680 to \$8,693. The proposed \$3,000 "Buyer Finder's Fee" takes into account the constraints on the amount of available WHP dollars and the primary use of the funds for down payment and closing costs assistance to the WHP buyers. The WHP Trust Fund has a balance of approximately \$3.9 Million generated from in-lieu payments of \$81,500. Staff is requesting the Board's approval to amend the WHP Financial Assistance Strategy to incorporate the Buyer Finder's Fee" for realtors and not-for-profit agencies. These are WHP funds, which do not require a local match. Countywide (JB)

Background and Justification: Palm Beach County's Workforce Housing Program (WHP) was established in 2006 (Ord 2006-055) to encourage the development of workforce housing for households in low, moderate and middle-income groups, to provide housing opportunities for persons employed in Palm Beach County in jobs that residents rely upon to make the community The Program offers an in-lieu payment option whereby developers who opt out of viable. constructing workforce housing units make payments for each for-sale unit or rental unit. In-lieu payments are deposited into the Workforce Housing Trust Fund created to benefit households with incomes ranging from 60% to 140% of Area Median Income. Per the WHP, developers that provide the units may seek to be released from their WHP obligation and pay a reduced in lieu fee if units remain unsold after 180 days, provided that the units have been marketed consistent with the market rate units, and at least 80% of the market rate units are under contract.

On March 13, 2018, the BCC approved the WHP Down Payment Assistance Strategy, which provides assistance to eligible buyers to purchase for-sale workforce housing units and delegated authority to the County Administrator, or designee, to execute any documents necessary to implement the Strategy. On May 15, 2018 the BCC amended the WHP Financial Assistance Strategy and incorporated additional features to enable the purchase and sale of housing units by the County.

Attachment:

1. List of Current WHP Developments with For-Sale Units

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mmended By:	tainer Johnson
	Assistant County Administrator
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oved By:	anda

2/21/19 Date 2/22/19

Approved By:

County Administrator

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					
# ADDITIONAL FTE POSITIONS (Cumulative)					
s Item Included In Currer Does this Item include the Budget Account No.:	e use of Fed	leral funds?	Yes	No <u>X</u>	
und Dept Ur	nit Ob	oject	Program Cod	e/Period	
Recommended Sou	irces of Fun	lds/Summar	w of Fiscal I		
			y of i iscai ii	npact:	
No fiscal impact			y of i iscar ii	npact:	
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No fiscal impact			ajor, Fiscal N		_

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2122119 Contract Development and Contract

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

DEPARTMENT OF HOUSING AND ECONOMIC SUSTAINABILITY MORTGAGE AND HOUSING INVESTMENTS WORKFORCE HOUSING PROGRAM - UNITS REMAINING FEBRUARY 21, 2019

COLONY RE	SERVE - THE CYPRESS		
TOTAL	11		
LENNA	R - CAMBRIA PARC		
TOTAL	19		
LENNA	AR - THE GROVES		
TOTAL	7		
LENNAR - GI	ULFSTREAM PRESERVE		
TOTAL	37		
LENNAR - S	ILVERWOOD ESTATES		
TOTAL	21		
PULTE -ME	CRRY PLACE ESTATES		
TOTAL	36		