

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

<b>Meeting Date:</b>	July 2, 2019	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
<b>Department:</b>	County Administration Department of Housing and Economic Sustainability		

**I. EXECUTIVE BRIEF**

**Motion and Title: Staff recommends motion to approve:** **A)** submittal of a request to the U.S. Department of Housing and Urban Development (HUD), to convert Neighborhood Stabilization Program 1 (NSP1) program income in the amount of \$2,000,000 to Community Development Block Grant (CDBG) funds; **B)** an allocation of \$1,500,000 of the CDBG conversion funds for the Gramercy Park Community Center project; and **C)** an allocation of \$500,000 of the CDBG conversion funds for the Royal Palm Lakes project.

**Summary:** Staff is requesting the Board of County Commissioners' (BCC) approval to submit a request to HUD to convert \$2,000,000 of NSP1 program income to CDBG funds. Staff is further requesting the BCC to approve the allocation of the CDBG conversion funds for the Gramercy Park Community Center (\$1,500,000) project and the Royal Palm Lakes apartment project (\$500,000). In 2009, the County received a \$27 Million NSP1 grant and used the funds for acquisition, rehabilitation, and redevelopment of foreclosed, abandoned, and vacant residential properties. To date, through the Department of Housing and Economic Sustainability successful operation of NSP1 mortgage and acquisition/rehabilitation activities, the program has accumulated approximately \$4.9 Million of NSP1 program income. HUD has developed a process to allow the conversion of NSP1 program income to CDBG funds which would allow entitlement municipalities to then utilize those funds for activities such as construction of public facilities and demolition, clearance, site preparation, site improvements and related activities; which are not eligible under the NSP1 Program. Staff is working on a plan for the use of the remaining \$2.9 Million NSP1 program income funds and will bring a workshop item to the Board at a later date. **(NSP1 funds are a separate allocation from the NSP2 funds the BCC recently approved for the Village of Valor affordable-workforce housing project at the June 16<sup>th</sup> Board meeting).**

The Gramercy Park Community Center project dates back to 2015 and was put on hold due to a lack of funding and a community partner. As envisioned, the project would entail the construction of a 5,000 square foot County facility within the existing County park located at 5615 Parke Avenue in West Palm Beach. The Center would serve the immediate surrounding Gramercy Park neighborhood by accommodating programs for local youth. If approved, the \$1.5 Million would provide funding for the project and enable the Parks & Recreation Department to move forward with finalizing the development plans including identification of a not-for-profit partner to operate the center. The Royal Palm Lakes project may entail the demolition, clearance, site preparation and site improvement of a deteriorated residential property located at 1749 East Main Street in Pahokee; as well as, potential acquisition of an adjacent property. Royal Palm Lakes, a 3-acre, 42-unit apartment complex, is currently subject to the County's foreclosure on a HOME Investment Partnership Program mortgage that funded rehabilitation of the property in 1996. The structural condition of the property is poor, and rehabilitation is not viable due, in part, to flooding and rain damage. Staff anticipates that the foreclosure and relocation of the residents would be completed prior to HUD's completion of the conversion process. The demolition would be funded from the existing Countywide CDBG Demolition Program which will be replenished once the CDBG conversion funds are received. Staff is assessing alternatives for a post-demolition redevelopment of the site with affordable housing and will bring back a plan for discussion and direction from the Board at a future workshop. **These are federal NSP1/CDBG funds that require no local match.** Countywide (HJF)

**Attachment(s):**

1. Location Map – Gramercy Park Community Center
2. Location Map – Royal Palm Lakes Apartments

<b>Recommended By:</b>		6/25/19	
	Department Director	Date	

<b>Approved By:</b>		20/28/19	
	Assistant County Administrator	Date	

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>					

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Proposed Budget? Yes \_\_\_\_\_ No X  
 Does this Item include the use of Federal funds? Yes X No \_\_\_\_\_

Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_

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


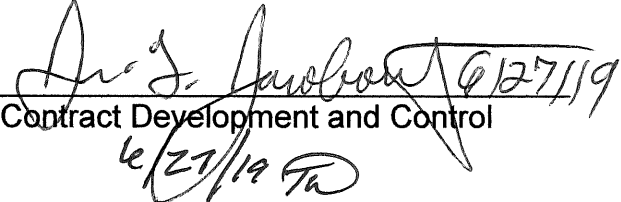
No fiscal impact at this time.

**C. Departmental Fiscal Review:**

  
 \_\_\_\_\_  
 Shairette Major, Fiscal Manager II

**III. REVIEW COMMENTS**

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

 6/27/19  
 OFMB  
 6/27/19  
 Contract Development and Control  
 6/27/19 TW

**B. Legal Sufficiency:**

  
 \_\_\_\_\_  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**Background and Justification** (Continued from page 1):

On November 18, 2008, the BCC authorized the submittal of a NSP1 funding application to HUD, and on January 8, 2009, HUD awarded a \$27.7 Million grant to the County. The County successfully expended the entire original grant in accordance with federal requirements and deadlines.

Revenues generated by NSP1-assisted activities are program income and must be treated substantially the same as NSP1 grant funds. On June 14, 2016, HUD published a notice (FR 5933-N-01) establishing a process for the transfer of NSP program income to the CDBG program.

Gramercy Park is an unincorporated neighborhood of approximately 2,500 persons located at the northwest quadrant of Haverhill Road and 45<sup>th</sup> Street in West Palm Beach. The neighborhood is 70% low and moderate income. The Office of Community Revitalization has designated Gramercy Park a Neighborhood Core Area where conditions warrant focused assistance from the Countywide Community Revitalization Team. Using Recreation and Cultural Bond funding, the Parks and Recreation Department developed a 1.89 acre neighborhood park at 5615 Parke Avenue that opened in 2015. Plans for the park originally included a multi-purpose community building, however, construction of the building was postponed due to project costs and lack of a not-for-profit partner. Now, there is an opportunity to fund construction with NSP1/CDBG, and a potential not-for-profit partner who would provide youth and teen recreational programming inclusive of music, art, play, study skills, character development and other out of school time activities.

Royal Palm Lakes is a 42-unit income restricted elderly residential property located in Pahokee which the County anticipates acquiring through foreclosure within the next few months. As a result of rain and flooding damage caused by hurricanes, it has been determined that the property has deteriorated beyond recovery and will need to be demolished. The demolition of this facility will provide the County an opportunity to utilize the land for a future housing project.

**LOCATION MAP**



**Gramercy Park**

**NORTH**



**LOCATION MAP**



Royal Palm Lakes project

NORTH

