

Agenda Item #:

Meeting Date: January 12, 2021

Department: Facilities Development & Operations

Motion and Title: Staff recommends motion to approve:

Summary: On September 26, 2017, the Board of County Commissioners (Board) authorized staff to prepare a Request For Proposals (RFP) for the development of approximately 20 small lot homes as a test case for the viability of a small lot form of development upon the property formerly occupied by the Tax Collector in western Lake Worth Beach. Said pilot project is currently referred to as the Cottage Homes. On February 26, 2019, during a Workshop meeting, the Board further endorsed the Cottage Homes project as one of the four sequential steps included as part of the Board-approved Infrastructure Sales Tax (IST) Project Plan for the delivery of housing units for homeless, extremely low, very low and low income individuals, which carries a total funding allocation of \$25.5M. The Cottage Homes project was assigned to be the first of such projects with the intent to service families experiencing homelessness. Direction was given at that time to proceed with issuance of an RFP to all local Housing Authorities offering to convey ownership of the property and provide up to \$3,973,000 of IST funding to accomplish the development of the project. The West Palm Beach Housing Authority was the sole respondent to the RFP and proposes to improve the property with 17 detached housing structures, a structure to serve as a neighborhood center, ancillary parking facilities, and other customary site improvements. The WPBHA will serve as the developer and contractor (WPBHA is licensed to perform construction under the Florida Statutes). The 17 housing units will be distributed amongst three different layouts, six 2-bedroom/1-bathroom units, six 2-bedroom/2-bathrooms units, and five 3-bedroom/2-bathrooms units; with square footage ranging from 981 to 1,200. Due to the use of IST funds, the property and improvements must always remain in public ownership and as a result, all units will be rental with maximum gross monthly rents for the first year ranging from \$598 to \$730, and maximum continued occupancy by any given tenant of 24 months. The proposal has been unanimously endorsed by a Selection Committee comprised of County representatives, and staff recommends approval of the Agreement between the County and WPBHA. **The funding source for project design, permitting and construction is from the Infrastructure Sales Tax (IST) Fund.** Any remaining IST funds upon construction completion would remain available to WPBHA for future application toward capital renewal/replacement needs. IST funds can only be used for capital improvements and cannot be used for operational costs. All operating costs but for water/sewer utility services would be at the expense of WPBHA. The eventual conveyance would be at no charge to WPBHA and subject to a restriction to government use, operation and maintenance for housing of low, very low and extremely low income residents. As an intergovernmental conveyance of real property, review by the Property Review Committee (PRC) will not be required. The resolution authorizing conveyance and the corresponding County Deed will be brought to the Board as a separate item for approval once the WPBHA meets the requirements for conveyance as set for under the Agreement that is, obtaining all required permits and approvals for construction. The WPBHA will have until September 13, 2021 to complete the design and permitting process, with an estimated 340 days needed for construction. Opening of the facility is expected in early FY23. The Developer and Operator agreement is exempt from the County's Equal Business Opportunity (EBO) Program. **(FDO ADMIN) District 2/Countywide (MWJ)**

Attachments:

- Recommended By: *Samuel C. Neal* *12/29/20*
Department Director Date
- Approved By: *McBride* *1/11/21*
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------|------|------|------|------|
| Capital Expenditures | \$3.973M | | | | |
| Operating Costs | | | \$* | \$* | \$* |
| External Revenues | | | | | |
| Program Income (County) | | | | | |
| In-Kind Match (County) | | | | | |
| NET FISCAL IMPACT | \$3.973M | | | | |
| # ADDITIONAL FTE POSITIONS (Cumulative) | 0 | | | | |
| Is Item Included in Current Budget: | Yes | X | No | * | |
| Does this item include use of federal funds? | Yes | | No | X | |

Budget Account No: Fund 3950 Dept 411 Unit Q001 Object Various

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

A total of \$3,973,458.06 in surtax proceeds would be made available to accomplish capital construction of the project upon approval of the proposed Agreement. Annually, \$2.55M in surtax proceeds is allocated to low income, extremely low income and homeless housing capital construction projects pursuant to the Board approved IST Project Plan, for a cumulative total of approximately \$25.5M over the life of the surtax program. Upon operation of the project, the County would be responsible for wraparound services including several tenant subsidies which would become budgeted within the General Fund (ad valorem proceeds), under the Community Services Department.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

Lisa Martin 12/31/2020
OFMB KP
R31
LM
12/31

J. J. Schubert 1/17/21
Contract Development and Control
1-17-21 (TW)

B. Legal Sufficiency:

Car M. Jones 1/11/21
Assistant County Attorney

C. Other Department Review:

Tanura Mallotra
1439E4101P1043C
Department Director Community Services

This summary is not to be used as a basis for payment.

Background & Policy Issues (Cont'd): The 1.36-acre subject site formerly housed the Lake Worth branch office of the Tax Collector. FD&O staff initially intended to repurpose that structure for use by PBSO. However, upon performance of structural due diligence, the scope of work to renovate and return the building to productive use was far in excess of initial estimates and exceeded reasonable limits for a building of its size. The size and configuration of the site also presents significant constraints for the siting and operation of most conventional nonresidential buildings and facilities. As a result, and upon discovering that the underlying residential plat of the property remains in effect, staff concluded that a residential program constructed to the configuration of the plat would be the highest and best use of the property, and could serve as a model of the small lot form of residential development. Board direction concluded in agreement, the vacant structure was demolished to avoid any liabilities or other unintended conditions, and an RFP was subsequently developed and released to local Housing Authorities on December 20, 2019.

The RFP was targeted to local Housing Authorities only due to their known waiting list for affordable housing opportunities. The clientele served by Housing Authorities typically earns less than 80% of area median income (AMI), which is the target income group of housing funds allocated within the IST Project Plan. The statutory requirement for property and improvements funded by the IST Project Plan to remain in ownership of a governmental entity, combined with the development and operational experience of the Housing Authorities, made the agencies a natural fit for implementing the Cottage Homes project.

Although several local Housing Authorities expressed interest in the RFP and participated in early outreach efforts, only the WPBHA submitted a proposal due to unique circumstances and situations of the various Authorities at the deadline for response. The WPBHA proposal consists of 17 detached housing structures, a structure to serve as a neighborhood center, ancillary parking facilities, and other customary site improvements (i.e. site utilities, pedestrian and vehicular infrastructure, landscaping, etc.). The proposal conforms to the plat of the property as required by the RFP and was found by the Selection Committee to conform to all other RFP requirements and specifications with only one exception, the inclusion of a Developer's Fee. The RFP conditions clearly defined as excluded costs any direct or indirect costs or expenses of the Authority's employees; the WPBHA included as part of its proposal a 7% Developer Fee. During the proposal evaluation process, the Selection Committee brought this finding to the WPBHA's attention with the Authority indicating that the Developer's Fee included in the proposal was not an administrative fee. The Selection Committee issued its recommendation to award only after indicating that payment for services was not the intent of the RFP given the donation of land, capital construction funding at no cost, and the retention by the WPBHA of all operating proceeds. It was understood at the time of the recommendation by the Selection Committee that the inclusion and structure of the Developer's Fee was to be reassessed during the contract negotiation phase. The WPBHA proposal and County requirements will be incorporated into the proposed Developer and Operator Agreement; material terms of which are identified in Attachment 2.

The property on the north side of Clemens Street was purchased by the County in 1987 at a cost of \$203,000, while that to the south of Clemens Street was purchased in 1984 at a cost of \$360,000. Although no appraisal of the property has been obtained, nor is one required as an intergovernmental transaction, staff previously represented an anticipated current market value in the range of \$600,000 to \$900,000. Staff is recommending that the property be conveyed to WPBHA at no cost: 1) since the original purpose of the property acquisition was to accommodate the Tax Collector facility, which was fulfilled in full and benefited from for over 20 years; 2) as an inducement to proceed with the project as a viable endeavor of the Authority; 3) due to the proposed deed limitation of the property to government housing of eligible individuals only; and 4) to favorably position the project to immediately commence collection of a positive cash flow toward management expenses and future Renewal/Replacement needs for its continuous operations and appropriate physical conditions on an ongoing basis. The County Deed restriction would ensure compliance with the statutory requirement for government ownership of improvements funded with infrastructure surtax proceeds. Conveyance would not occur until all required building permits for the proposed improvements have been obtained by WPBHA to demonstrate and ensure project viability. The resolution authorizing conveyance and the corresponding County Deed will be brought to the Board as a separate item for approval once the WPBHA meets the requirements for conveyance as set for under the Agreement.

Under the conditions of the Agreement, the WPBHA will have until September 13, 2021 to complete the design and permitting process, with an estimated 340 days needed for construction. Opening of the facility is expected in early FY23.

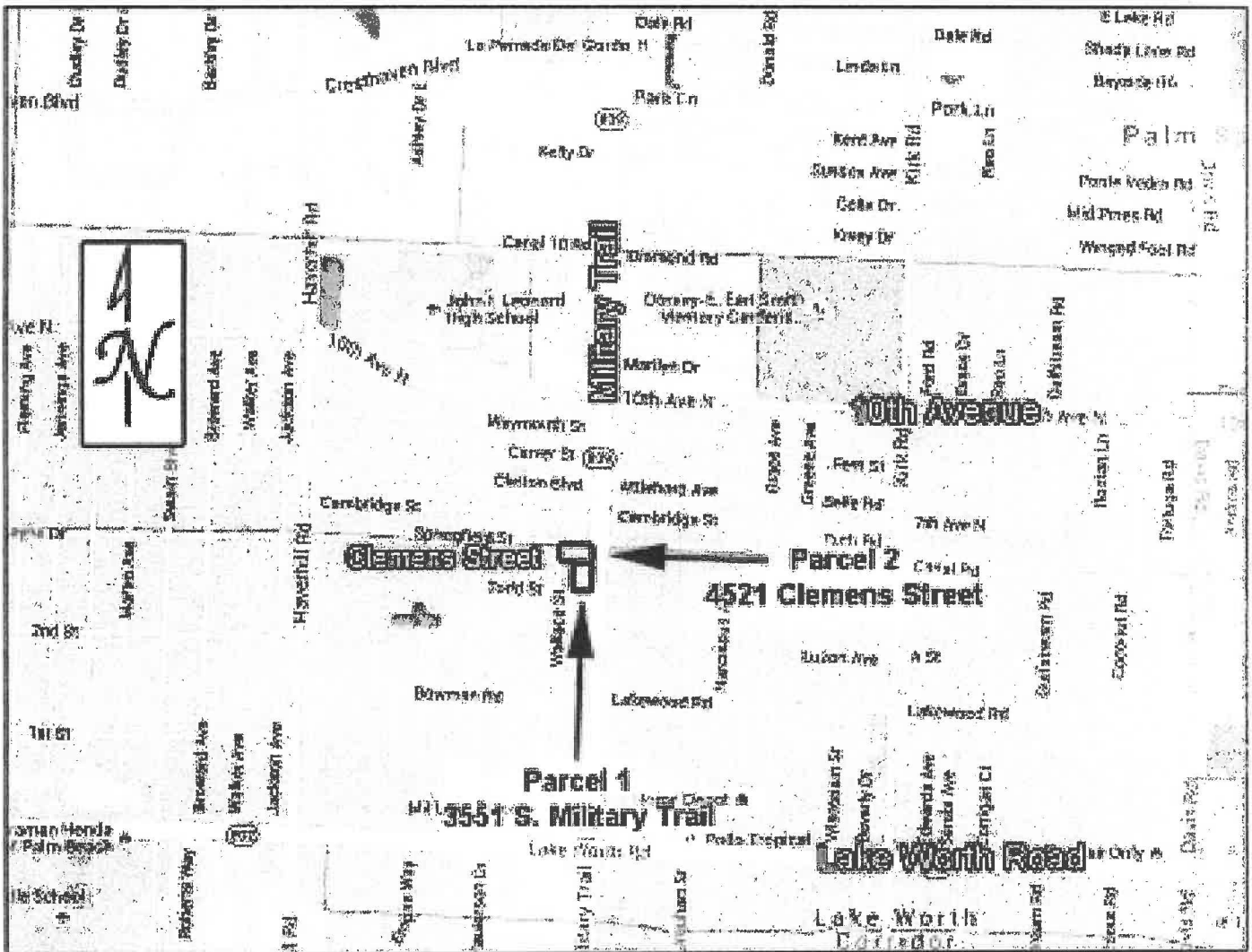
Following construction completion, WPBHA will be responsible for placement of eligible family households into available units. WPBHA will be required to coordinate with the County's Community Services Department for priority placement of eligible families on a waiting list to be maintained by the County. Both rental amounts and duration of stay will be limited. The County will be required to provide subsidies (based on qualifications) for utilities, security deposits and rent, as well as any wrap around services the County desires to be provided to the project's occupants.

Background & Policy Issues (Cont'd):

All capital construction costs beyond the \$3,973,458.06 being made available by the Agreement will be the sole responsibility of the WPBHA. All of those County proceeds being derived through the one penny infrastructure surtax, eligible expenses are limited to capital improvements with no application toward project operating costs. Any remaining balance upon construction completion will be held by the County for future application to project Renewal/Replacement needs until such time that all funds have been fully exhausted.

ATTACHMENT 1

Location Map



ATTACHMENT 2

Material Terms of Developer and Operator Agreement

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| 1. General Scope of Responsibilities |
| <p>WPBHA will be responsible for the development, construction, ownership, operation and maintenance of the project.</p> <p>The County will provide funding in the amount of \$3,973, 458.06 for the construction of the project as well as convey the County's interest on 1.36 acres of real property to the WPBHA.</p> |
| 2. Land Control and Ownership |
| <p>Ownership will be conveyed as-is by County Deed to the WPBHA upon WPBHA's receipt of Building Permit(s) for all proposed improvements and prior to construction.</p> <p>The County Deed will include a restriction to use, operation and maintenance by a governmental entity for the provision of housing to low, very low and extremely low income residents. Governmental ownership is a requirement of the enabling legislation for the Infrastructure Sales Tax, which is the funding source for the proposed capital improvements.</p> |
| 3. Construction Funding |
| <p>The County will provide \$3,973,458.06 for delivery of the proposed capital improvements. The WPBHA has created a Program Estimate that aligns with the available funding. County shall timely process payment for all eligible expenses.</p> <p>All County funding will be from proceeds of the Infrastructure Sales Tax.</p> <p>Direct expenses incurred to prepare WPBHA's Step 2 Proposal, not to exceed in total \$35,000, will be immediately reimbursable to WPBHA upon BCC execution of the contract.</p> <p>Eligible expenses consist of all design, permitting and construction services, including consultant fees, application fees, labor and materials. Excluded costs include Authority's employees, attorneys, financial advisors, financing, promotional items, and contractual termination/ damages.</p> <p>The WPBHA included in its proposal a 7% Developer Fee; through contract negotiations it was agreed that the County will pay only 43% of the Developer Fee to the Authority. The remaining 57% of the Developer Fee will be allocated to Program Contingency.</p> <p>The WPBHA is licensed under Florida Statutes to perform construction, the Program Estimate includes a 14% Contractor's Fee.</p> <p>WPBHA shall be solely responsible for any and all cost overruns not caused by the County that are beyond the County funding for construction completion.</p> <p>Remaining funds in Program Contingency (i.e. savings) after project completion will be transferred to the County-maintained Initial Renewal/Replacement (R/R) Fund.</p> |
| 4. Project Development |
| <p>WPBHA will be responsible for the competitive selection of all professional service providers consistent with the requirements of CCNA, and a County Staff member will have a seat on the selection committee. WPBHA's use of professionals holding a continuing services agreement with the County shall satisfy this requirement.</p> <p>WPBHA will be responsible for the competitive selection of subcontractors to construct the facility as well as vendors supplying goods for the facility in accordance with Florida Statutes.</p> <p>WPBHA shall negotiate, approve and execute all contracts for design and construction. A provision allowing for re-use of the design at no additional cost (except for site-specific adaptations) shall be included.</p> <p>WPBHA shall obtain County approval of all drawings, specifications, permits, approvals as well as certain conditions.</p> |

WPBHA shall be responsible for issuance of Substantial Completion.

5. Development/Construction Schedule

WPBHA must secure all required permits and approvals for construction by September 13, 2021.

Construction is expected to take 340 days plus 60 days for closeout.

Facility is expected to open in early FY23 (October 2022).

6. Use and Operation

WPBHA will be solely responsible for repair, maintenance, operation and security of the property at its cost.

WPBHA will retain all revenue collected from its operation of the property.

WPBHA will use and operate the facility for the sole purpose of providing housing to eligible low, very low and extremely low income residents.

All units will be rental, with placement priority given to low, very low and extremely low income households on waiting lists maintained by the County (Community Services Department).

Rent shall not exceed 30% of the tenant's gross median income. Tenants shall not earn more than 80% of area median income for Palm Beach County. Maximum gross monthly rents for the first year ranging from \$598 to \$730. Rent structure changes require County's approval.

Occupancy of each unit shall be limited to a maximum duration of 24 months. The County (through its service provider), shall provide to the WPBHA a transition plan for each tenant placed by the County.

WPBHA will be solely responsible for the cost of and for prosecuting all eviction proceedings.

WPBHA will make a unit ready for occupancy within 30 days of being vacated by the prior tenant.

WPBHA will manage and schedule the use of the community center, which will be limited to community purposes.

WPBHA and Palm Beach County shall annually collaborate on a Renewal/Replacement (R/R) schedule for the approaching 10-year period of time. All R/R shall be the funding responsibility of WPBHA.

All Capital Improvements proposed by the WPBHA require County's prior consent and will be solely funded by the Authority.

7. Wrap-Around Services

The County's Community Services Department (CSD) will be responsible for securing and managing the provision of case management and wrap-around services.

CSD will retain the services of a Provider which will be required to: enter families into the Homeless Management Information System (HMIS); provide weekly case management; provide rent payment calculation and allocation; refer participants to financial literacy classes; and coordinate employment training and career counseling.

CSD will budget for (Ad Valorem funds) the following subsidies to be provided to the participants (subject to qualification): monthly rental, security deposit, furniture and utilities.

8. Default

Upon default by the other party, either party can: 1) grant a reasonable period of time within which to cure the default; 2) seek dispute resolution pursuant to the conditions of the Agreement; 3) seek specific performance of the agreement's terms; 4) terminate the Agreement; and/or 5) pursue other remedies as available by law or in equity.

9. Term and Termination

Initial term of 34 years, two renewal options of 30 years each. Upon expiration of the initial term or any renewal term, the WPBHA shall convey its ownership interest in the facility and

site to the County.

WPBHA must secure all permits and approval by September 13, 2021; the County in its sole discretion may agree to an extension.

Prior conveyance of the 1.36 acres real property to the WPBHA, either party can terminate the agreement: 1) in the event that the WPBHA is unable to obtain all required permits and approvals for construction of the facility; or 2) in the event that unforeseen site conditions are discovered which render the project unfeasible.

If the County terminates the agreement upon default of the WPBHA after conveyance but before final completion, the WPBHA shall assign all contracts to the County, deliver all plans/drawings, convey its ownership interest and surrender the property.

If the County terminates the agreement upon default of the WPBHA after final completion, the WPBHA shall convey its ownership interest to the County, turn over the funds in the Authority's maintenance account, contingency fund and R/R project reserve to the County.

If the WPBHA terminates the agreement upon default by the County after conveyance of the 1.36 acres of real property but before final completion, the WPBHA shall assign all contracts to the County, deliver all plans/drawings, convey its ownership interest and surrender the property.

If the WPBHA terminates the agreement upon default of the County after final completion, the WPBHA shall convey its ownership interest to the County, turn over the funds in the Authority's maintenance account, contingency fund and R/R project reserve to the County.

If the WPBHA terminates the agreement upon default of the County after final completion due to the County's failure to refer any low, very low and/or extremely low income households for placement in an available unit, for a period of more than one year, the WPBHA can retain ownership of the facility and the funds in the Authority's maintenance account, contingency fund and the R/R project reserve,

10. Miscellaneous

Casualty Loss - WPBHA shall fund the repair and restoration of the property in the event of a casualty loss. Any repair and restoration not funded within one year of a casualty loss provides WPBHA the option to terminate the Agreement and turn over any insurance proceeds.

County's Representative – Director, Facilities Development & Operations

Dispute Resolution – WPBHA and the County agree not to file a lawsuit until after engaging in an expedited dispute resolution process.

Insurance - WPBHA shall maintain property insurance and windstorm insurance, at its expense, at no less than 100% of total replacement cost.

Naming of the facility – WPBHA shall obtain the County's written consent to any name attached to the facility. WPBHA submitted its proposal identifying the project as Laurel Oak Cottages, during contract negotiations it was agreed that County's consent would be required for any names attached to the facility.

Number of Units – Seventeen (17) detached housing units, three layouts: six 2-bedroom/1-bathroom units, six 2-bedroom/2-bathrooms units, and five 3-bedroom/2-bathrooms units; with square footage ranging from 981 to 1,200.

Reporting Requirements – include, but are not limited to: annual R/R implementation, major incidents, household placements and financial statements.

DEVELOPER AND OPERATOR
AGREEMENT
BETWEEN
PALM BEACH COUNTY, FLORIDA
AND
WEST PALM BEACH HOUSING
AUTHORITY

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DEVELOPER AND OPERATOR AGREEMENT

THIS DEVELOPER AND OPERATOR AGREEMENT (the “Agreement”) is made and entered into as of the _____ day of _____, 20__ by and between Palm Beach County, Florida, a political subdivision of the State of Florida, by and through its Board of County Commissioners (the “County”) and the West Palm Beach Housing Authority, a public body corporate and politic created under Section 421 of the Florida Statutes (the “Authority”). The Authority and the County are hereinafter sometimes referred to as the “Parties”.

WHEREAS, the County is the owner of certain real property that is legally described on **Exhibit A** (the “Property”); and

WHEREAS, the County desires to fund the development of detached housing units on the Property for extended occupancy by households experiencing homelessness and as a demonstration project for a small lot form of development; and

WHEREAS, the Authority desires to develop, construct, own, operate and maintain the housing development under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and obligations herein contained, the parties intending to be legally bound, hereby agree as follows:

PART I – DEFINITIONS APPLICABLE TO DEVELOPMENT AND OPERATIONS

ARTICLE 1 RECITALS

The above recitals are incorporated herein and made a part hereof by this reference.

ARTICLE 2 DEFINITIONS

The following terms shall have the meanings specified in this **Article 2** when capitalized and used in this Agreement. The meanings specified are applicable to both the singular and plural.

“Actual Costs” shall mean compensation for Development and Construction Services authorized and performed and either paid or payable by County pursuant to this Agreement in an amount equal to the Authority’s paid or payable expenditures, without administrative mark-up other than the Contractor’s Fee and the Authority’s share of the Developer Fee, but not including Excluded Costs. Actual Costs specifically include amounts paid to Consultants to prepare the Authority’s Step 2 Proposal.

“ADA” shall mean the Americans with Disabilities Act of 1990, Pub. L. No. 101-336, 104 Stat. 328 (1990), as may be amended from time to time.

“Additional Services” shall have the meaning set forth in **Section 3.4**.

“Affidavit of Disbursement of Previous Payments” shall mean a form submitted by a Consultant or by a Construction Subcontractor certifying that it has paid all Subcontractors and suppliers of any tier for payments made by the Authority to the Consultant or Construction Subcontractor from the previous payment application.

“Agreement” shall mean this Agreement (including all Exhibits hereto), as it may be amended or supplemented from time to time.

“Approved R/R Project Schedule” shall mean each annual R/R Project Schedule approved by County for funding by the Authority pursuant to the Authority’s annual budget funding process.

“Authority” shall mean the West Palm Beach Housing Authority, its employees, designees, successors and assigns as authorized in this Agreement.

“Authority R/R Project Reserve” or **“Authority Renewal/Replacement Project Reserve”** shall mean the reserve established and funded by the Authority pursuant to **Section 18.3** herein in order to fund the R/R Project obligations of the Authority after any proceeds in the Initial R/R Project Reserve are exhausted.

“Authority’s Proposal” shall mean the Authority’s response to the County’s RFP No. 2019-001-EM and which consists of two parts, the Authority’s Step 1 Proposal and the Authority’s Step 2 Proposal which Step 2 Proposal is attached hereto as **Exhibit K**.

“Board” shall mean the Board of County Commissioners of Palm Beach County.

“Budgeted Amount” shall mean \$3,973,458.06.

“Budget Year” shall mean the Authority’s annual fiscal year beginning on April 1 and continuing through March 31 of each year.

“Business Day” shall mean any day, except Saturday, Sunday or any national holiday or any other day recognized by the County as a holiday, or any other day during which County governmental offices or Authority offices are closed.

“Capital Improvements” shall mean any and all design, permitting, labor and/or materials related to any improvements beginning on the date of Substantial Completion of the Facility, that adds value to the Facility or prolongs the useful life of the Facility, including but not limited to any and all fixtures, fixed equipment, modifications to, and/or demolition of the Facility undertaken on, or after, the date of Substantial Completion of the Facility. Examples include, but are not limited to, the following: fixed equipment; physical enlargement or expansion of a structure or existing asset; physical improvement which creates an increase in capacity; or adapting a portion of the Facility to a new or different use, provided such use shall comport with the intended use of the Facility for providing housing to eligible low, very low and extremely low income residents; a demolition of the improvements originally constructed; and/or a reconstruction of all or part of the Facility after a Casualty Loss. The term “Capital Improvements” for the purposes of this definition

shall not include the Facility as initially constructed.

“Casualty Loss” shall have the meaning set forth in **Section 20.1**.

“Change Order” shall mean a written instruction to a Construction Subcontractor or Consultant authorizing an addition, deletion, or revision to the Work in consideration of an adjustment in the contract sum, contract time, or both. Change Orders may also be necessary to document revisions to the Work or to specified products or materials that have no impact on the contract sum or contract time.

“Clerk” shall mean the Clerk to the Board.

“Conceptual Plan” shall mean the general layout and details of proposed improvements to the Site which is attached as **Exhibit B**.

“Construction Change Directive” or **“CCD”** shall mean a written order prepared by the architect/engineer of record and issued by the Authority, directing a change in the Work and stating a proposed basis for adjustment, if any, in the contract sum or contract time, or both.

“Construction Change Proposal” or **“CCP”** is used by a Construction Subcontractor in response to a Field Bulletin itemizing proposed changes in the contract price or time. It also may be used by a Construction Subcontractor to initiate proposed changes a Construction Subcontractor deems necessary.

“Construction Savings” shall mean the amount, if any, remaining in the Program Contingency at the time of Final Completion if the Program Budget does not exceed the Budgeted Amount.

“Construction Subcontractors” shall mean the subcontractors or trade contractors hired by the Authority to construct the Facility.

“Construction Subcontracts” shall mean the legally binding agreements to be entered into by and between the Authority and the Construction Subcontractors for the construction of the Facility, or any portion thereof, as such agreements may be amended by the Authority including through a Change Order authorized pursuant to **Section 7.4** herein.

“Consultant” shall mean the planning consultant, environmental consultant, program manager, architectural/design consultant, or other professional either individually or collectively as the context shall require, selected in accordance with **Section 3.3(B)**, engaged by the Authority, responsible for planning, permitting, administering and designing the Program, or any portion thereof, pursuant to a Consultant Contract, and such replacement consultant(s) as may be selected in accordance with **Section 3.3(B)** from time to time.

“Consultant Contract(s)” shall mean the agreement(s) to be entered into by and between the Authority and the Consultant(s) for the planning, design and construction administration of the Facility, or any portion thereof, as such Consultant Contract may be amended by the Authority through a Change Order authorized pursuant to **Section 7.4** herein.

“Contractor” shall mean the Authority, who represents that it is duly licensed pursuant to Chapter 489, Florida Statutes, and who is responsible for constructing the Facility pursuant to this Agreement.

“Contractor’s Fee” shall mean fourteen percent (14%) of the hard costs of construction of the Facility which shall be paid to the Authority pursuant to **Section 7.5** hereof as it will assume role of Contractor and all work and liability associated thereto.

“Conveyance Date” shall mean the date on which the County conveys ownership of the Site and any improvements to the Authority.

“Cost Overrun” shall mean Program Budget in excess of the Budgeted Amount.

“County” shall mean Palm Beach County, Florida.

“County Deed” shall mean the deed from the County to the Authority attached hereto as **Exhibit I**.

“County Representative” shall mean the Director of the County’s Facilities Development & Operations Department, or such other persons as may be designated in writing by the County as its representative or liaison during the Term of this Agreement.

“County’s Infrastructure Surtax Independent Citizen Oversight Committee” shall mean the nineteen (19) member advisory committee established by resolution of the Board (R2016-1921) to ensure that proceeds from the infrastructure surtax are expended for the purposes set forth in the ballot measure and are in compliance with the County’s surtax plan.

“Day” shall mean each 24-hour period beginning and ending at 12:00 midnight Eastern Standard Time and shall include Saturdays, Sundays and all holidays, except that in the event that an obligation to be performed under this Agreement falls on a day other than a Business Day, such obligation shall be deemed due on the next Day that County offices are open for business thereafter.

“Design Contract” shall mean the agreement to be entered into by and between the Authority and the Design Professional selected by the Authority for the design of the Facility, or any portion thereof, as such design contract may be amended or replaced from time to time.

“Design Professional” shall mean the design professional(s) as may be selected in accordance with this Agreement.

“Development and Construction Services” shall mean all of the development and construction responsibilities of the Authority as set forth in this Agreement, whether performed by an Authority employee(s), the Construction Subcontractors, or by Consultant(s), or any Subcontractors thereto. The County acknowledges the Authority’s responsibilities are limited as described in **Article 3** herein and exclude those tasks or responsibilities specifically assigned to County under this Agreement.

“Development Fee” shall mean seven percent (7%) of the hard and soft costs for the Development and Construction Services which shall be paid in accordance with **Section 7.6** hereof.

“Due Diligence” shall mean activities relating to the Authority or its Consultant(s) and Construction Subcontractors gaining access to the Site for the purpose of performing Site investigation and due diligence as needed to prepare assessments including environmental assessments, surveys, condition reports, and development plans, including those activities conducted as the finalist under the RFP to prepare the Authority’s Step 2 Proposal. Activities may include, but are not limited to, surveys, subsurface and/or obtrusive exploration and sampling of the soil, surface water, and/or groundwater, installation and abandonment of soil borings and temporary monitoring wells using standard drilling practices and/or direct push technologies and source removal activities.

“Effective Date” shall mean the date this Agreement has been approved and executed by the Board.

“Effective Termination Date” shall be seven (7) Days after written notice of termination has been sent.

“Excluded Costs” shall mean those direct or indirect costs, fees and/or expenses that are not eligible for payment from the Budgeted Amount and that are identified in the attached **Exhibit C**.

“Facility” shall mean the housing units and improvements constructed at the Site and shall also include, without limiting the foregoing, all improved and unimproved areas of the Site and any off-Site improvements required for regulatory approval.

“FD&O” shall mean the County’s Facilities Development & Operations Department.

“Field Bulletin” or **“FB”** shall mean an instruction issued by the Consultant proposing a change in either the drawings or specifications and requesting a proposal from a Construction Subcontractor. It is not a direction to proceed with the work.

“Final Completion of the Facility” is when the Authority is satisfied that all work under the Construction Subcontracts has been completed in accordance with the requirements of the Construction Subcontracts and this Agreement, has issued notices of final acceptance under all of the Construction Subcontracts and has made final payment under all of the Construction Subcontracts.

“Initial R/R Project Reserve” or **“Initial Renewal/Replacement Project Reserve”** shall consist of 1) the remaining Development Fee, if any, pursuant to **Section 7.6** hereof and 2) the line(s) in the Program Cost Estimate established pursuant to **Section 7.3.5** herein which contain Construction Savings, if any, which upon Final Completion will be maintained by the County in an account designated specifically for the Facility and be the subject of requisition by the Authority in order to fund the initial capital R/R Project obligations of the Authority. The funds in the Initial

R/R Project Reserve shall only be used for capital projects on the R/R Project Schedule or as otherwise approved by the County as consistent with the funding source used to fund the Initial R/R Project Reserve. The funds in the Initial R/R Project Reserve shall not be used for Personal Property or operating expenses.

“Minimum Requirements” shall mean the minimum programmatic requirements for the Facility, as set forth in **Exhibit D** hereto.

“Non-Eligible Costs” shall mean all projected expenditures and costs, other than Excluded Costs, relating to the development of the Site and Facility that are; 1) Cost Overruns, or 2) exceed what the Authority and County have agreed to be acceptable improvements. Except for Cost Overruns attributable to the County pursuant to **Section 7.2** hereof, Non-Eligible Costs shall be paid solely by the Authority and shall not be paid from the Budgeted Amount.

“Person” shall mean an individual, corporation, association, general partnership, limited partnership, limited liability company, trust, unincorporated organization, political subdivision or municipal corporation.

“Personal Property” shall mean tangible and intangible assets that have not been affixed and/or attached to the Facility.

“Program” shall mean the Development and Construction Services required for the design, development and construction of the Facility.

“Program Budget” shall mean the total of the Actual Costs and Non-Eligible Costs, but not including Excluded Costs.

“Program Contingency” shall mean a specified amount of money within the Program Cost Estimate that can be re-allocated by the Authority to an Actual Cost line item within the Program Cost Estimate without further approval of the County. All funds remaining in the individual line items of the Program Budget for Actual Costs after Final Completion shall be transferred to the Contingency during the final accounting at the completion of the Program and shall become Construction Savings.

“Program Cost Estimate” shall mean the line item breakdown of all projected expenditures for the Development and Construction Services and Work authorized in **Article 3** of this Agreement, including the Program Contingency, but not including Excluded Costs.

“Program Representative” shall mean the person designated by the Authority, and acceptable to the County as the single point of contact for the Authority, who will represent and act on behalf of the Authority.

“Program Schedule” shall mean the schedule of events, dates and milestones for the timely completion of the Work prepared by the Authority in accordance with all requirements of this Agreement.

“Public Laws” shall mean all applicable federal, state and local laws, codes, ordinances,

rules, regulations, standards or orders of any public authority having jurisdiction over the Program, including building, health, labor, safety, licensing, environmental or zoning laws, codes, ordinances, rules, regulations, standards or orders of any such public authority.

“Purchase Order” shall mean the Authority document that is issued by the Authority to a vendor to contract for the purchase of a product or service.

“Repair and Maintenance” shall mean the labor and materials which are required to keep the Facility in good order and repair (normal wear and tear excepted) and which are routine, regular, and are generally predictable in nature, given the age of the Facility and the use of the Facility, expressly not including any R/R Projects. Repair and Maintenance includes, but is not limited to, repairs of any value necessary to restore an improvement or equipment to working order only where the resulting repair is not intended to extend the life of the improvement or equipment by more than one year. Repair and Maintenance shall specifically include, but not be limited to damage to the Facility caused by vandalism.

“RFP” shall mean the County’s request for proposals RFP No. 2019-001-EM.

“R/R Project” or **“Renewal/Replacement Project”** shall mean the labor and materials necessary to renew, rehabilitate or replace a physical improvement, fixture, piece of equipment or any other physical asset of the Facility which is intended to extend the overall life of the improvement or equipment by over one year.

“R/R Project Schedule” shall mean the list of planned R/R Projects that are scheduled to be undertaken in the next ten years.

“Scope of Work” shall mean the aggregate of all Work required to complete the Program.

“Site” shall mean the real property legally described in **Exhibit A** attached hereto.

“Subcontractor” shall mean any contractor/consultant in privity with any Consultant, Construction Subcontractor, or any other contractor/consultant at any tier.

“Substantial Completion of the Facility” shall mean the date when the Facility is sufficiently complete to permit its use for its stated purpose and a certificate(s) of occupancy has been issued for the Facility.

“Term” shall have the meaning set forth in **Section 24.1** herein.

“Work” shall mean all obligations, duties and responsibilities assigned to, or undertaken by the Authority required to complete the Program pursuant to this Agreement.

PART II – DEVELOPMENT OF THE FACILITY AND SITE

ARTICLE 3

DEVELOPMENT AND CONSTRUCTION RESPONSIBILITIES OF THE AUTHORITY

3.1 Permit Approvals. All applications for permits and approvals of any kind shall require approval of the County Representative or other duly authorized County employee prior to submittal.

3.2 Diligence. The Authority covenants to diligently perform the development and construction responsibilities outlined below in a continuous, reasonable and timely manner consistent with the terms of this Agreement.

3.3 Development and Construction Services. The Authority shall, either itself, or through the Program Representative (if/as applicable):

- A.** act as the County's development consultant for the Facility and shall be responsible for the delivery of the Facility and completion of the Program in accordance with the requirements of this Agreement;
- B.** select Consultant(s) to design the Facility in a manner consistent with the requirements of the Consultant's Competitive Negotiation Act (CCNA), F.S. §287.055 and Authority's procedures. The County shall have a voting member on the Selection Committee for the selection of the design Consultant. The Authority acting in its capacity as the Contractor for the Program shall select Construction Subcontractors to construct the Facility in a competitive solicitation process consistent with Florida Statutes and Authority's procedures. Authority shall bid the Construction Subcontracts based on at least ninety-five percent (95%) complete construction documents;
- C.** select all other vendors receiving any payment under the Program Cost Estimate, in accordance with a competitive solicitation process that is in accord with Florida Statutes and Authority's procedures;
- D.** subject to **Article 6** herein, engage (prepare, negotiate and enter into contracts with) and manage qualified Consultants and Construction Subcontractors to perform Due Diligence, testing, planning, design, and construction services as may be required in the Authority's discretion;
- E.** subject to **Article 6** herein, engage (prepare, negotiate and enter into contracts with) and manage vendors;
- F.** take all actions necessary and/or required to effectively manage and coordinate all tasks and activities associated with the execution of design and construction team(s) as required to complete the Development and Construction Services;
- G.** require each Construction Subcontractor to construct the Facility in accordance with the County approved documents, as well as the Conceptual Plan, the Minimum Requirements and the Authority's Proposal;

- H.** monitor, review and approve the development of drawings and the specifications prepared by the Consultant(s), conduct progress reviews of the drawings and specifications and coordinate such reviews with and approval by the County;
- I.** observe the Work in progress to ensure that the Work is compliant with the terms of the respective Construction Subcontracts and/or Purchase Orders;
- J.** determine the acceptability of each Consultant's performance under the respective Consulting Contract(s) and each Construction Subcontractor's performance under the respective Construction Subcontracts, and as required take all necessary enforcement action in the sole determination of the Authority to compel compliance with the terms of each Consultant Contract and each Construction Subcontract, subject to the rights of the County under Section 9.3 to take direct action for County damages;
- K.** conduct progress meetings at least monthly and prepare reports (including an executive summary every month), identifying the scope and overall percentage of Work completed, the amount paid to each Consultant and Construction Subcontractor and the remaining balance of each Consultant Contract and Construction Subcontract;
- L.** upon request of the County Representative or other duly authorized County employee, provide a presentation(s) of the Program at a regularly scheduled meeting(s) of the County's Infrastructure Surtax Independent Citizen Oversight Committee;
- M.** identify and coordinate activities required for Site access and Due Diligence that must be performed in order for the Program Schedule, Program Cost Estimate, development approval and permit assumptions to be satisfied;
- N.** identify requirements and confirm assumptions for the Program related to infrastructure and permitting requirements;
- O.** prepare a Program Schedule based on analysis of existing schedules, programs, required permits/approvals, goals and objectives;
- P.** develop and maintain a list of dates which are critical for the success of the overall schedule of the Development and Construction Services identified in this Agreement;
- Q.** prepare the line items within the Program Cost Estimate and Program Budget; and at appropriate intervals and where necessary, review and assist in preparing revised line items within the Program Cost Estimate and Program Budget;
- R.** update the Program Cost Estimate to specifically coincide with the timing of the competitive bidding of the Construction Subcontracts;

- S.** review preliminary designs for the Facility in order to confirm Program Cost Estimate assumptions and compliance with County approved documents, as well as the Conceptual Plan, the Minimum Requirements, and the Authority's Proposal;
- T.** conduct all activities necessary to prepare applications for governmental permits and approvals and secure such permits and approvals, including advance review and approval/acceptance of all applications for permit and approval for quality control and accuracy purposes prior to submission to County for review and/or approval as required by this Agreement;
- U.** prepare a list of required governmental reviews and permits/approvals, engage Consultant(s), as necessary, to prepare, submit and secure any permits or approvals that are required for the construction of the Facility, and maintain the list to reflect current status at all times through Final Completion;
- V.** review and approve the design for the Facility pursuant to the requirements of this Agreement;
- W.** conduct design progress meetings with the Consultant(s) and County at least monthly or when required or requested/appropriate, as a forum for exchange of information and resolution of design decisions;
- X.** incorporate and enforce requirements in each Construction Subcontract that, when specified as part of the approved design, each Construction Subcontractor utilizes new materials and/or equipment (or newly manufactured materials and/or equipment using recycled components), including when such materials and/or equipment are incorporated into the Work, unless otherwise approved by the County; and where materials and/or equipment are not specified as part of the approved design, require each Construction Subcontractor utilize a high grade of quality for its intended use;
- Y.** contractually require and enforce the requirement that the Consultant(s) and Construction Subcontractors design and construct the Facility to be compliant with the applicable building codes;
- Z.** conduct good faith comprehensive constructability reviews and value analysis to reduce the cost of the Program;
- AA.** coordinate with utility service providers for off and on-site water, sewer, gas, electric and telecommunications service, and other service, as appropriate;
- BB.** prepare and process all documentation for all required easements for the Program, including but not limited to required access easements and utility easements for water, reclaimed water, sewer, electric, cable, telephone and other services and obtain required insurance and indemnification from each Construction Subcontractor and each Consultant performing Work on easements as set forth in **Article 6** hereto;

- CC.** conduct meetings with regulatory agencies and the surrounding community, as may be required to accomplish all Development and Construction Services contemplated in this Agreement;
- DD.** handle public relations activities related to the Program, including but not limited to, responding to public inquiries, attending public meetings and presenting at community meetings;
- EE.** conduct coordination meetings with regulatory agencies and the surrounding community, as may be required for the purposes of planning and submitting development and permit applications;
- FF.** monitor each Construction Subcontractor's requests for Change Orders and notify the County of any changes that may affect the operations or maintenance of the Facility;
- GG.** provide funding for Non-Eligible Costs, unless same are attributable to the County pursuant to **Section 7.2** hereof;
- HH.** cause the filing by others of all required reports, certifications and similar documents;
- II.** establish operating procedures for review and approval by the County and develop a transition plan from development to operations for review and approval by the County;
- JJ.** acting as Contractor, oversee the substantial completion and final completion of each Construction Subcontract including making final payment to each Construction Subcontractor;
- KK.** upon Substantial Completion of the Facility, provide notice to the County that the Facility is ready for occupancy; and
- LL.** upon Final Completion of the Facility, notify the County and accept the Program as complete;
- MM.** comply with all applicable requirements of this Agreement.

3.4 Additional Services. During the Term of this Agreement, the County may, from time to time, request in writing that the Authority perform certain services in addition to those set forth in **Article 3** of this Agreement (the "Additional Services"). The scope of, and compensation to the Authority for, any such Additional Services shall be mutually acceptable to the County and the Authority, and shall be set forth in a written amendment to this Agreement executed by both parties and shall be governed by the terms and conditions of this Agreement, unless otherwise provided in such amendment.

3.5 Conditions. The Authority's performance of the development and construction obligations identified in this **Article 3** is subject to the condition that the Authority shall not accept

any conditions that; 1) run with the land, 2) present on-going financial cost, obligation or responsibility, or 3) that are inconsistent with, or require changes to this Agreement, without the prior express written approval of County.

3.6 Administration of the Consultant Contract(s) and Construction Subcontracts. The Authority is providing the Development and Construction Services described in this **Article 3** as a development consultant and as a licensed general contractor. The County acknowledges that the Authority is not a licensed architect or engineer; however, the Authority will engage licensed architects and engineers as required for the Work in accordance with the requirements of this Agreement. The Authority will also engage Construction Subcontractors to complete the Work in accordance with the requirements of this Agreement. The Authority will enforce such contracts and administer any claims process associated with such contracts as set forth herein. Authority shall require each Construction Subcontractor and each design Consultant to provide customary warranties, will enforce said warranties and will name the County as a third party beneficiary of all such warranties. The foregoing notwithstanding, the Authority shall be obligated to enforce the provisions of each Consultant Contract and each Construction Subcontract as set forth herein.

3.7 Reserved.

3.8 Meetings. The Authority shall timely notify the County in advance of all meetings with regulatory agencies, Consultants and Construction Subcontractors; and the County, at its option, may attend any meeting scheduled by the Authority relating to the Program, except those between the Authority and/or its representatives and legal counsel that may be considered attorney-client privileged.

3.9 Acceptance of Ownership. The Authority shall accept transfer of title to the Site from the County after the issuance of all required building permits. The County shall transfer the ownership of the Site and all improvements to the Authority after the issuance of all required building permits and before construction begins. The County Deed will include deed restrictions regarding governmental ownership and use.

ARTICLE 4 **COUNTY RESPONSIBILITIES**

4.1 Make Payments. The County shall timely pay all Actual Costs for the Development and Construction Services authorized in **Article 3** hereof from the Budgeted Amount in accordance with the payment and requisition procedures set forth in **Section 8.3** and **Exhibit E** of this Agreement, including any and all compensation requested by the Authority for the Consultants and Construction Subcontractors to be paid by County pursuant to the terms of this Agreement. Payments shall not exceed the Budgeted Amount, shall be disbursed by the Clerk, and shall be payable in accordance with the requirements of the Clerk and the requisition procedures.

4.2 Transfer Ownership of the Site and Improvements. The County shall transfer the ownership of the Site and all improvements to the Authority after the issuance of all required building permits and before construction begins. The County Deed will include deed restrictions regarding governmental ownership and use.

4.3 Other Responsibilities. The County shall have the following additional responsibilities:

- A.** The County shall provide funding for Cost Overruns attributable to County as set forth in **Section 7.2** hereof.
- B.** The County shall reasonably expedite any actions or approvals requested or required of the County in connection with the Program, and except as otherwise provided in this Agreement, all such actions or approvals shall not be unreasonably withheld, conditioned or delayed. The County shall not act, or fail to act, in a manner that would cause, or would reasonably be expected to cause, the completion of the Program to be delayed. The County shall provide assistance to and use reasonable efforts to cooperate with the Authority in the performance of this Agreement. Nothing in this Section shall be construed to require either party to violate any valid and enforceable Public Laws.

4.4 Site Access. The Authority shall be granted, for the Authority and its invitees, uninterrupted access to and egress from the Site (including access to and egress from all areas owned, licensed or otherwise controlled by the County) and the right to enter the Site to the extent reasonably necessary for the Authority to exercise its rights and perform its obligations under this Agreement.

ARTICLE 5

PROGRAM MANAGEMENT

5.1 Authority's Program Team. An organizational chart for the Authority's Program team is set forth on **Exhibit F** hereto. The Authority shall inform County in writing of the name, email address and telephone number(s) of its Program Representative, together with a clear definition of the scope of his/her authority to represent and act for the Authority and shall specify any and all limitations of such authority. The Authority shall keep the County informed of any subsequent changes in the foregoing.

5.2 Authority's Program Representative. The Program Representative is responsible for administering all required Work at the Site and a representative of the Program Representative shall be at the Site when the construction of improvements is in progress. All notices, determinations, instructions and other communications made or given by the Program Representative shall be binding upon the Authority; provided however, notwithstanding the foregoing, only the Executive Director, or her designee, in her capacity as the Contracting Officer of the Authority shall have the authority to bind the Authority with respect to: (a) modifications or amendments pertaining to this Agreement, (b) modifications or amendments pertaining to the Consultant Contract(s), and (c) modifications, amendments, or Change Orders pertaining to the Construction Subcontract(s).

5.3 Meetings. The Program Representative shall invite the County Representative to each and every meeting scheduled with the community or with a governmental regulatory agency, including, but not limited to, all meetings relating to permitting or approvals. The Authority shall provide the County Representative with advance notice of any regularly scheduled Program meetings. The Program Representative shall invite the County Representative to each and every

meeting scheduled with every Consultant and any Construction Subcontractor. Attendance by the County Representative shall be at his/her sole and absolute discretion in each and every instance.

5.4 Authority to Serve as Contractor. The Authority represents to County that it is licensed to perform construction under the Florida Statutes. The County consents to the Authority serving as the Contractor as long as the Authority competitively bids the Construction Subcontracts in accordance with Florida Statutes and Authority's procedures and complies with F.S. 255.05 and 255.20.

5.5 Decision Making. Except as otherwise specifically provided in this Agreement, the County agrees that the Authority shall make all decisions relating to the design, construction, development and delivery of the Facility and Program.

5.6 Approvals. The Authority shall reasonably expedite any actions or approvals requested or required of the Authority in connection with the Program, and except as otherwise provided in this Agreement, all such actions or approvals shall not be unreasonably withheld, conditioned or delayed. The Authority shall not act, or fail to act, in a manner that would cause, or would reasonably be expected to cause, the completion of the Program to be delayed. The Authority shall provide assistance to and use reasonable efforts to cooperate with the County in the performance of this Agreement. Nothing in this Section shall be construed to require either party to violate any valid and enforceable Public Laws.

ARTICLE 6

CONTRACTS FOR DEVELOPMENT

6.1 EBO Exempt. This Agreement is exempt from the County's Equal Business Opportunity Program.

6.2 Contract Authority. The Authority shall have the right to negotiate, to approve and to execute in its name, all contracts and agreements for the Facility, including, without limitation, the Consultant Contracts and the Construction Subcontracts provided that the Authority:

- A.** Selects the Consultants, Construction Subcontractor(s) and vendors as set forth in **Section 3.3(B) and (C)**, as applicable;
- B.** Requires all types of insurance in amounts equal or greater than the County standard, as set out in **Section 21.1.4**, for all Consultants, Construction Subcontractors, and any other Subcontractors;
- C.** Requires a payment and performance bond, where required by Florida Statutes §255.05;
- D.** Names the County as additional insured and/or third party beneficiaries to all insurance policies and co-obligees on all bonds for all Consultants, Construction Subcontractors, and any other Subcontractors;
- E.** Indemnifies and holds harmless the County in all Construction Subcontracts, Consultant Contracts, and subcontracts of any tier;

- F. Includes in the Design Contract a provision which allows the re-use of the design by the County, the Authority or by any local government in Palm Beach County at no additional cost, with the exception of adaptations that would be necessitated by site specific factors upon application elsewhere;
- G. Includes a provision in each Consultant Contract and Construction Subcontract and each subcontract of any tier that (1) the County is an intended third party beneficiary of the contract and (2) the contract may be assigned to the County in the event this Agreement is terminated and ownership of the Facility and Site reverts to the County.
- H. Secures the approval of the Director, Facilities Development & Operations, or designee, on each and every Consultant Contract and Construction Subcontract, for the sole purposes of determining compliance with the requirements of this Agreement and to allow the County to set up the necessary payment accounts. Such approval shall be proof that the requirements of this **Section 6.2** are met.

6.3 Program Documents. The Authority shall ensure that each Consultant Contract and each Construction Subcontract contains the requirement that the Consultant and the Construction Subcontractor deliver to the County Representative such documents and materials received by, and in the possession of, the Authority that are prepared by the Consultant and the Construction Subcontractors pursuant the Consultant Contract or the Construction Subcontract, as the case may be, or pursuant to any other agreement related to the Program, as the County may reasonably request.

6.4 Subcontractor Agreements. The Authority represents that all Subcontractor agreements of any tier entered into shall incorporate the requirements set forth in **Section 6.2** above, and further warrants that the County is an intended express third party beneficiary of any such Subcontract.

6.5 Amendments to Consultant Contracts or Construction Subcontracts. The Authority is required to obtain County approval on any amendment to a Consultant Contract or Construction Subcontract that modifies in any way the protections to the County set out in **Section 6.2** above.

ARTICLE 7

PROGRAM COST ESTIMATE AND PROGRAM BUDGET

7.1 Creation of a Program Cost Estimate.

7.1.1 The Authority has created a Program Cost Estimate which is attached hereto as **Exhibit G**.

7.1.2 The Program Cost Estimate identifies the line items reflecting the anticipated Actual Costs, which includes Program Contingency lines and Non-Eligible Costs, in accordance to County's specific requirements.

7.1.3 The Authority shall designate which Consultant or designee will be responsible for

the management of the Program Cost Estimate and the Program Budget.

7.2 Cost Overruns. The Authority will be responsible for Cost Overruns, except to the extent: (a) the County imposes a program requirement in excess of the Minimum Requirements that results in a Cost Overrun; or (b) the County breaches this Agreement, which breach results in a Cost Overrun. In the event that either of the foregoing causes occurs, the County shall pay a proportionate share of any such Cost Overrun, which proportion shall be equal to the extent to which the Cost Overrun was caused by the County.

7.3 Construction Savings.

7.3.1 The County and the Authority shall use good faith efforts to achieve Construction Savings and shall allocate the Construction Savings as set forth herein.

7.3.2 The County and the Authority will work together throughout the design of the Facility to ensure; 1) the design and specifications reflect the materials typically installed in publically owned and operated residential facilities, 2) that quantities or features are generally comparable to other publically owned and operated residential facilities, 3) that specified building equipment and materials are of types and installation details typical to South Florida and 4) that the design is consistent with the Conceptual Plan, the Minimum Requirements and Authority's Proposal. County reviews as to whether the design meets the requirements of 1- 4 above will take into account construction costs as well as long term operational/maintenance costs relative to issues of energy use and facility maintainability. The County shall conduct design reviews to ensure consistency with the above listed requirements as follows:

- A.** The Authority shall provide timely advance notice and invite County to participate in any meetings it believes appropriate to facilitate the identification of Construction Savings. The County shall be allowed to participate in any meetings and/or discussions that the County believes appropriate to facilitate Construction Savings.
- B.** The Authority will provide County with electronic access to design submittals (schematic design, design development, construction documents and corresponding cost estimates) and provide County with digital files of the design submittals as requested by County. The Authority shall work with County, including meeting with County and inviting County to design review meetings, in order to facilitate County review of design submittals, including plans, specifications and schedules. The Authority shall provide County with written reports detailing all comments resulting from such interim submittal reviews. The County shall review and provide comments to the Authority upon receipt of the estimates of probable construction cost as prepared by the Authority. The County may make recommendations to advise the Authority where the estimate of probable construction cost could be reduced in order to achieve Construction Savings.
- C.** The Authority shall review all comments of County as it relates to the design submittals and probable construction costs to ensure the Authority addresses each

comment and incorporates changes approved by the Authority, if any, into the Program Cost Estimate.

7.3.3 Construction Savings will be added to the Program Contingency.

7.3.4 The Parties acknowledge that the costs of any particular line item for Development and Construction Services will vary from the number identified in the Program Cost Estimate. If the contracted cost of the particular Development and Construction Service is less than that identified in the Program Cost Estimate, then the Authority shall credit the difference to the Program Contingency. If the contracted cost of the particular Development and Construction Service is more than identified in the Program Cost Estimate, then the Authority shall first debit the Program Contingency. After the adjustments as described herein, when the Program Contingency is exhausted, the difference will be considered a Cost Overrun.

7.3.5 At Final Completion of the Facility, Construction Savings shall be deposited into the County maintained Initial R/R Project Reserve to provide initial funding for capital Renewal/Replacement Projects pursuant to this Agreement which will be subject to requisition requests from the Authority as provided for in **Section 18.3**. The funds in the Initial R/R Project Reserve shall only be used for capital projects on the R/R Project Schedule. The funds in the Initial Project Reserve shall not be used for Personal Property or operating expenses.

7.4 **Change Orders.**

7.4.1 The Authority shall provide County with a monthly report listing of all FBs, CCPs, Contingency Use, CCDs, and Change Orders with sufficient details to enable County's review of each of the above, for consistency with the terms of this Agreement.

7.4.2 Changes to the Consultant's and the Construction Subcontractors' Scope of Work shall be authorized by the Program Representative pursuant to its standard practice and copies of such Change Orders shall be provided to County with each pay application.

7.4.3 The Authority is required to obtain County approval on any Change Order that: 1) significantly changes the general scope, extent or character of the Program or its design including, but not limited to, changes in size or character of construction; and/or 2) modifies specified equipment and/or substitutes materials, which approval shall not be unreasonably withheld, conditioned or delayed. Change Orders may be granted or denied in County's discretion. County may review other Program changes as deemed appropriate in County's discretion.

7.5 **Contractor's Fee.** The County shall pay the Contractor's Fee to the Authority proportionally on a percent complete basis of the construction work in place, less five (5) percent retainage. Retainage shall be paid to the Authority upon Final Completion of the Facility.

7.6 **Development Fee.** The County shall pay forty-three percent (43%) of the Development Fee to the Authority. The Authority shall earn its share of the Development Fee upon the following benchmarks: the Authority shall earn twenty-five percent of its share of the Development Fee upon construction commencement; the Authority shall earn fifty percent (50%) of its share of the

Development Fee upon 50% construction completion; and the Authority shall earn the remaining twenty-five percent of its share of the Development Fee upon Final Completion of the Facility. The County shall pay the Authority's earned share of the Development Fee to the Authority upon Final Completion of the Facility.

The County shall deposit fifty-seven percent (57%) of the Development Fee into the Program Contingency which may be used by the Authority in accordance with **Section 7.3** hereof.

In accordance with **Section 7.3** above, upon Final Completion of the Facility, any funds remaining in the Program Contingency will be considered Construction Savings which the County shall deposit into the County maintained Initial R/R Project Reserve to provide initial funding for capital Renewal/Replacement Projects pursuant to this Agreement which will be subject to requisition requests from the Authority as provided for in **Section 18.3**. The funds in the Initial R/R Project Reserve shall only be used for capital projects on the R/R Project Schedule. The funds in the Initial Project Reserve shall not be used for Personal Property or operating expenses.

ARTICLE 8

COMPENSATION FOR DEVELOPMENT AND CONSTRUCTION SERVICES

8.1 Payment of Authority's Actual Costs by the County. The County shall timely pay any and all Actual Costs required to be paid by it to the Authority pursuant to the terms of this Agreement, which payments shall be made in accordance with the provisions of this Agreement.

8.2 Limitation. The County shall only be required to pay for Actual Costs not exceeding the Budgeted Amount. Except as otherwise provided in **Section 7.2** for Cost Overruns attributable to County, under no circumstance shall the County pay for any other costs of the Program.

8.3 Requisition Process.

8.3.1 On or before the fifth (5th) Day of each month, the Authority shall be entitled to submit to the County a payment certification and requisition for Actual Costs incurred, which shall include a copy of the Consultant or Construction Subcontractor application for payment, certified by the Authority and the applicable Consultant or Construction Subcontractor in accordance with the requirements of **Exhibit E** attached hereto. The Authority agrees to deliver to the County such back-up materials as the County may reasonably require, and which the Authority has reasonable access to obtain. Unless the County disputes all or a portion of any charge set forth in said payment certification and requisition, the County shall make payments to the Authority in the amounts due to: (a) the Consultant, pursuant to each Consultant Contract; and (b) the Construction Subcontractor, pursuant to each Construction Subcontract; within 30 Days from the date of receipt of a complete payment certification and requisition from the Authority. The Construction Subcontractor's application for payment must also be accompanied by the affidavit set forth in **Section 8.3.2** below. To the extent that the County disputes all or part of the payment requested by the payment certification and requisition, the County shall make partial payment of the non-disputed amount and provide notice of the disputed amount and reason for the dispute to the Authority within seven (7) Days of receipt of the payment certification and requisition. Said notice shall be considered the initial notice of the dispute resolution procedure set forth in **Article 22**

hereof, and the parties agree to follow the dispute resolution procedure to resolve any such payment disputes.

8.3.2 With each payment certification and requisition submitted to the County, the Authority shall deliver to the County from each Construction Subcontractor or Consultant for which payment is requested, as the case may be, a fully executed Affidavit of Disbursement of Previous Payments in the amount of the immediately prior payment for the applicable Construction Subcontractor or Consultant, as the case may be, excepting any claims that remain in dispute. The County shall not release payment for any portion of the Development and Construction Services performed by the Consultant(s) or the Construction Subcontractors, as the case may be, unless the payment certification and requisition submitted to the County is accompanied by the Affidavit of Disbursement of Previous Payments for the Consultant(s) or a Construction Subcontractor. However, the County may, but shall not be required to, make payments on account of the Construction Subcontracts without such affidavit, if the Construction Subcontractor presents to the Authority, and the Authority presents to the County, a consent of surety to such payment from a Construction Subcontractor's surety, in form acceptable to the County.

8.4 Payment of Consultants and Construction Subcontractors by the Authority. The receipt of such payment by the Authority from the County is hereby deemed to be a condition precedent to the Authority's obligation to transmit payments to the Consultant(s) or a Construction Subcontractor based on said payment, but shall not alter the Authority's contractual obligation to Consultants or Construction Subcontractors. In the event that the County withholds or fails to make payment to the Authority in the entire amount of any payment certification and requisition submitted by the Authority, the Authority shall only be obligated to transmit payment to the Consultant(s) or a Construction Subcontractor in the amount actually received from the County. Notwithstanding the above, the receipt of payment from County is not a condition precedent to the extent the payment request represents payment to a Consultant or Construction Subcontractor attributable to a Cost Overrun payable by the Authority pursuant to **Section 7.2** herein.

8.5 Time for Payment by Authority. Upon receipt of payment from the County with respect to any payment certification and requisition, the Authority shall transmit payment to the Consultant or a Construction Subcontractor, in the exact amount received from the County, within five (5) Business Days from the date of the Authority's receipt of such payment from the County.

ARTICLE 9

REMEDIES RELATED TO DEVELOPMENT

9.1 Authority's Obligations.

9.1.1 In the event that the Authority requires a Construction Subcontractor to perform any obligation under a Construction Subcontract, and the Construction Subcontractor fails to do so, or performs in a deficient or nonconforming manner, the Authority shall issue notice to the Construction Subcontractor, requiring the Construction Subcontractor to perform, correct or replace the Work (as determined by the Authority subject to Section 9.3), or the applicable portion thereof, in accordance with the Construction Subcontract. In the event that the Authority requires a Consultant to perform any obligation under a Consultant Contract and the Consultant fails to do so, or prepares instruments of service in a deficient manner, the Authority shall issue notice to such

Consultant, requiring such Consultant to perform in accordance with the Consultant Contract, or to correct the deficiencies in its instruments of service, whichever is appropriate.

9.1.2 Notwithstanding any other provision of this Agreement to the contrary, the Authority hereby agrees to seek recovery: (i) directly from a Consultant, or its insurers, for any damages that the Authority and/or County may incur as a result of such Consultant's failure to perform in accordance with the Consultant Contract, or the Consultant's deficient or nonconforming performance under the Consultant Contract, as the case may be, or as a result of such Consultant's negligence; or (ii) directly from a Construction Subcontractor, its surety and insurers, for any damages that the County and/or the Authority may incur as a result of a Construction Subcontractor's failure to perform in accordance with a Construction Subcontract, or a Construction Subcontractor's deficient or nonconforming performance under a Construction Subcontract, as the case may be, or as a result of such Construction Subcontractor's negligence.

9.1.3 In performing its obligations under **Sections 9.1.1** and **9.1.2** hereof, the Authority shall have the right to consult with the County to seek a waiver of the obligation to bring an action, which may be granted or denied in the County's sole but reasonable discretion, and to the extent the County provides a written waiver of such requirement, the Authority is not required to bring such action.

9.2 Authority Waiver.

9.2.1 The Authority knowingly, voluntarily and intentionally waives any right or recourse to seek recovery from the County for any damages attributable to any Consultant or Construction Subcontractor, respectively, as set forth in **Section 9.1.1** and **Section 9.1.2** herein.

9.2.2 The Authority knowingly, voluntarily and intentionally waives any right or recourse to seek recovery from the County for any damages caused by, or resulting from, delays in the Program unless such delays are directly attributable to the County's negligent or willful nonperformance of a material term of this Agreement; provided, however, the foregoing shall not limit the County's obligations to pay for Cost Overruns as provided in **Section 7.2** hereof.

9.3 Direct Action by County. Notwithstanding anything contained herein, the County may, at its sole option, pursue recovery against a Consultant and/or Construction Subcontractor as set forth in **Sections 9.1.1** or **9.1.2** for County damages, in collaboration with, or in place of, the Authority when the Authority's actions or inactions under **Section 9.1.1** and **9.1.2** have not adequately protected the County in the County's sole determination. Additionally, in the event that the Authority is in default of any of its obligations under this Agreement, the County may pursue any and all remedies that it may have against the Authority, available at law and in equity, subject to the requirements of **Article 22** of this Agreement.

PART III – OPERATION OF THE FACILITY

ARTICLE 10 OWNERSHIP

10.1 Ownership of the Facility. After the Conveyance Date, the Facility and the Site shall be owned in fee simple by the Authority. The Authority acknowledges and agrees that Authority must continuously own the Site and the Facility from the Conveyance Date to the Effective Termination Date of this Agreement. The County Deed will include deed restrictions regarding governmental ownership and use.

10.2 Ownership of Personal Property and Capital Improvements.

10.2.1 Personal Property purchased with funds of the Authority shall become the property of the Authority.

10.2.2 Property purchased with funds of the Authority to replace Personal Property described in **Section 10.2.1** herein shall become the Property of the Authority.

10.2.3 All Capital Improvements regardless of funding source shall become the property of the Authority.

10.2.4 Personal Property installed as a Capital Improvement pursuant to **Article 17** of this Agreement, or otherwise attached or affixed to the Facility, shall become a Capital Improvement and the property of the Authority upon installation and acceptance.

ARTICLE 11
USE AND OPERATION OF THE FACILITY

11.1 Primary Purpose. After Substantial Completion of the Facility, the Authority shall use and operate the Facility for the sole purpose of providing housing to eligible low, very low and extremely low income residents, subject to the provisions of this Agreement.

11.2 Continuous Operation. After Substantial Completion, the Authority shall cause the Facility to be continuously occupied at full occupancy, excluding (a) customary periods of transition between occupancy of individual units; (b) periods when a Force Majeure Event renders the Facility temporarily unusable or unsuitable to serve as a permanent residence, subject to the requirements of **Article 20** herein; (c) periods when the County is unable to identify a household experiencing homelessness in need of placement at the Facility; or (d) periods when an individual unit(s) is unavailable for occupancy due to required repairs or renovations.

11.3 Contract Authority. The Authority shall have the right to negotiate, to approve and to execute in its name, all operational contracts and agreements for the Facility. The Authority shall be responsible for funding all operational contracts for the Facility. Authority shall include in each and every contract entered into in connection with the operation of the Facility that County shall have the right to assume such contract at County's election (without the assumption of Authority's liability that accrued prior to the date of County's assumption) upon the termination or expiration of this Agreement. Notwithstanding the foregoing, the County is under no obligation to assume any of the contracts that Authority enters into.

11.4 Placement Priorities. The tenants to be given first priority for assignment to available units will be low, very low and/or extremely low income households on waiting lists maintained

by County (with very low or extremely low income given the highest priority for placement). When the Authority knows that a unit is available or will become available, the Authority will immediately send notice to the County including the date of availability. The County will have fifteen (15) Days from the date of notice to refer a qualified household for the available unit. If during this time, the household does not qualify for placement, then the County will have an additional ten (10) Days to refer another household for placement in the available unit. If a County priority tenant is not placed during this time period, the unit will be available for occupancy by another income eligible household as identified by the Authority, or its designee as set forth in Paragraph 11.6 (with very low or extremely low income given the highest priority for placement). The Authority's selection of an eligible household is subject to each and every provision of this Agreement including income eligibility limits and length of stay limits. When the income eligible household identified by the Authority vacates the unit, the Authority shall ask the County whether it has a household on its waiting list to fill the unit. If the County does not, then the Authority may again place an income eligible household in the unit.

11.5 Managing Occupancy. The Authority shall be solely responsible for managing and scheduling all occupancies in coordination with the County pursuant to the requirements of this Agreement. After a tenant has vacated a unit, the Authority will turn over the unit and have it ready for occupancy within a reasonable time subject to customary property management standards in light of the unit condition. Authority will notify County if any unit turn over exceeds 30 Days with reasons therefor.

11.6 Non-profit or Community Partnerships. The Authority shall have the right, but not the obligation, to engage other non-profit or community partners who may act as its designee in providing, selecting, qualifying low, very low, or extremely low income households experiencing homelessness for placement in the Facility, subject to Section 11.4, including but not limited to the provision of rental assistance and/or services to said tenants of the designee.

11.7 Occupancy Limitation. No tenant shall be permitted to remain in occupancy at the Facility longer than 24 months, unless as otherwise approved by the County

11.8 Required Incident Reporting. The Authority shall provide to the County a monthly report detailing incidents at the Facility which require a police response or which require the Authority's response to excessive damage or destruction or vandalism of the units by tenants referred by the County.

11.9 Eviction. The Authority shall be solely responsible for the costs of and for prosecuting all eviction proceedings related to Facility and the tenants. The Authority shall notify the County of any eviction proceedings begun against tenants referred by the County.

11.10 Transition Plan. The County or its Provider (as defined on Exhibit J) shall provide the Authority with a transition plan for each tenant placed by the County which will facilitate, or otherwise provide a case management plan for, the exit of the tenant from the Facility on or before 24 months of occupancy, in efforts to ensure that participants are able to sustain housing in the private market. The Authority shall designate an officer to work closely with the Provider on implementing the transition plan for each tenant.

11.11 Community Center. The Authority will manage and schedule the use of the community center. Use of the community center will be limited to community purposes (i.e. the Authority may not rent the center to third parties for profit making purposes.) The County shall not be charged for use of the community center for programmatic purposes related to the tenants or placement of tenants at the Facility. Residents may use the community center through reservations made through the Authority. If the Authority charges residents for the use of the community center, such charges shall be in accord with a published fee schedule developed by the Authority for use of the center by residents which fees shall be limited to actual costs of the Authority (i.e. janitorial etc.)

11.12 Naming of the Facility. The Authority shall obtain the County's written consent to any name attached to the Facility, which consent may be withheld in the sole discretion of the County.

ARTICLE 12 **REVENUE**

12.1 General. The Authority shall be entitled to receive and to retain all revenue, now known or hereafter devised, in connection with the year-round operation of the Facility including but not limited to all rents. All revenue collected by the Authority from the Facility shall only be used for the payment of expenses related to the operation, maintenance, renewal and replacement of the Facility or the other obligations of the Authority as described in this Agreement.

12.2 Rent Structure for Tenants Placed by the County. The initial rent structure for the tenants placed at the Facility for the initial year of occupancy is attached hereto as **Exhibit H**.

12.3 Rent Limitations/Tenant Income Limitations. The monthly rental rates charged by the Authority for any tenant placed by the County or the Authority shall not exceed thirty percent (30%) of the tenant's gross median income. Tenants residing in the rental units shall not earn more than 80% of area median income (AMI) for Palm Beach County. Rental assistance for tenants placed by the County will be in accordance with the terms of **Exhibit J**.

12.4 Required Reporting. The Authority shall provide to County by March 15 of each year annual financial statements on the Facility reporting for the previous 12 months all rent charged versus rent collected for each unit and the funding and balances of operational accounts including the maintenance account and R/R Project Reserve. The statements shall also detail all operational expenses for the 12 month period.

12.5 Rent Structure Changes. The Authority is required to obtain County approval prior to changing the rent structure that is attached hereto as **Exhibit H**.

12.6 Rent Collections Exceeding Projections. If the Authority's rent collections exceed the amounts projected on the operational pro forma attached hereto as **Exhibit H**, then any such excess will be credited to a contingency fund that can be used to fund: 1) operations; 2) Repair and Maintenance, 3) the R/R Project Reserve Fund and/or 4) an FSS (Family Self Sufficiency) escrow for tenants.

ARTICLE 13
RESERVED

ARTICLE 14
SECURITY FOR THE FACILITY

The Authority shall provide, in its sole but reasonable determination adequate supervision and security and shall strictly enforce all rules, regulations, and safety procedures that are required by Public Laws and that are usual and customary for public residential facilities, or established by the Authority and that are required in general for the safe and orderly use of the Facility. At all times the Facility shall be under the control, supervision and security of the Authority. The Authority shall be responsible for determining and implementing the appropriate staffing, security and service levels required to continuously manage the Facility. It shall be the responsibility of the Authority to assure that the use of the Facility is conducted in such a manner so as not to interfere with the use of adjacent properties beyond the boundaries of the Site. The Authority shall take reasonable precautions to prevent nuisances originating from the Facility. Notwithstanding same, the Authority has the sole responsibility for, and shall respond to and defend, any third party claims, actions, etc. concerning nuisances originating from the Facility.

ARTICLE 15
REPAIR AND MAINTENANCE AND COSTS OF OPERATION

15.1 General. The Authority shall be solely responsible for all costs of, and the performance of, all of the Repair and Maintenance and operation of the Facility, as required to keep the Facility in good condition at all times, on a year-round basis.

15.2 Repair and Maintenance. With respect to the Authority's performance of Repair and Maintenance, the Authority agrees as follows.

15.2.1 Repair and Maintenance shall be performed on a regular, scheduled routine basis as is reasonably required to prevent deterioration of the Facility and extend the useful life of the capital assets. Standards of Repair and Maintenance shall be consistent with facilities owned by the Authority elsewhere in Palm Beach County.

15.2.2 All Repair and Maintenance shall be performed in a good and workmanlike fashion, utilizing good quality materials, supplies, components and replacement parts that are of equal or better quality than the quality of those being repaired or replaced, with all reasonable efforts made to preserve the aesthetics of the Facility consistent with the respective Repair and Maintenance standard for the improvement.

15.2.3 All equipment Repair and Maintenance shall meet manufacturer's recommendations and established government safety and/or regulatory standards, if applicable.

15.2.4 All Repair and Maintenance, operation and environmental monitoring (if any) shall comply with the requirements of any regulatory approval and/or permit.

15.2.5 The Authority shall routinely inspect the Facility and Site to ensure that there are no conditions which present a safety issue or hazard to any persons, including but not limited to

occupants, guests and employees. If such a condition is found, it is the Authority's sole responsibility to immediately protect the area from use, to provide warning of the condition as may be reasonably necessary in order to ensure the safety of persons at the Facility, and to perform all work required to restore the area to a safe condition within a reasonable period of time.

15.2.6 The Authority shall provide FD&O with an annual report of all Facility Repair and Maintenance that was performed during the preceding twelve (12) months and all Facility Repair and Maintenance scheduled during the upcoming twelve (12) months no later than the first Monday of July annually. The Authority shall promptly provide the County with access to the Facility to perform routine maintenance inspections, and thereafter promptly perform any corrective action in accordance with **Section 15.3** herein.

15.2.7 The Authority shall not voluntarily create, cause, or permit to be created any lien or encumbrance on the Facility and/or Site.

15.3 Inspection and Failure to Perform.

15.3.1 The County, its representatives and/or agents shall have the right, but not the obligation, to inspect the Site and Facility at reasonable times, upon reasonable request, or at such time as the County has reason to believe that an emergency situation exists at the Facility and/or Site to observe whether the Authority is performing its Repair and Maintenance obligations pursuant to this Agreement. If, in the County's reasonable opinion, the Authority has not performed its Repair and Maintenance obligations pursuant to the terms hereinabove, the County shall provide written notice to the Authority stating the basis for such opinion, and the Authority shall have thirty (30) Days from the date of receipt of such notice during which to perform such Repair and Maintenance as required hereunder or to notify the County that it disagrees with the County's opinion. If the Authority disagrees with the County opinion, the Authority and County agree to utilize the dispute resolution process identified in **Article 22** of this Agreement.

15.3.2 The County Representative shall visit the Site pursuant to **Article 15** and **Article 18** of this Agreement to observe the condition of the Facility solely for the purposes of determining whether the Repair and Maintenance is being performed consistent with the requirements of **Sections 15.2 and 15.3** herein and for determining placement and/or costs for the R/R Project Schedule pursuant to **Article 18** of this Agreement.

15.3.3 The County Site visits authorized herein do not in any way eliminate, change, reduce, modify, transfer or diminish the Authority's sole responsibility for: 1) the on-going operation of the Facility; 2) the assessment of the condition of the Site and Facility; and 3) the performance of corrective action, including but not limited to Repair and Maintenance, as required to maintain the Site and the Facility in a safe condition. The Authority shall not be entitled to rely on any comments, recommendations, reports or the results of the County Representative or the County agents' Site visits in lieu of conducting its own independent assessment and evaluation of the condition of the Site and the Facility.

15.3.4 The County shall coordinate all scheduled inspections pursuant to this **Section 15.3** with the Authority to prevent interference with any routine operation or scheduled use of/activity at the Site, and to allow for notification to tenants, if applicable.

ARTICLE 16

LICENSING, INSPECTION, REGULATORY AND ADA RESPONSIBILITIES

16.1 Licensing, Regulatory and Safety Inspections.

16.1.1 All corrective work required at the Facility will be performed and funded as either Repair and Maintenance or an R/R Project.

16.1.2 For funding purposes, if the corrective work is not Repair and Maintenance and it addresses a construction flaw or failure or other issue and such construction item cannot be resolved by the Authority pursuant to **Section 9.1.1** or **Section 9.1.2** of this Agreement, then such corrective work shall be deemed an R/R Project.

16.1.3 The Authority's Repair and Maintenance responsibilities set forth in **Article 15** and its R/R Project responsibilities set forth in **Article 18** include performing all emergency Repair and Maintenance and/or emergency R/R Project work or other corrective action required to address hazardous or unsafe conditions arising from, or related to, licensing, permitting, inspection, audit, safety or regulatory requirements concerning the Site, Facility, and the Authority's operations, business, and/or use of the same, including but not limited to, any City, County, State, Federal, OSHA or other law, rules, regulations, ordinances, or other requirements. This includes, but is not limited to corrective work arising in anticipation of or as a result of an inspection, audit, licensing or regulatory requirement or other compliance-related event. The Authority shall complete such corrective work in a timely manner and within the time frames required by any regulatory authority.

16.1.4 The Authority shall be solely responsible for funding any Repair and Maintenance required to correct any condition, hazard, defect, flaw or failure, or other issue or condition arising from, or related to, licensing, permitting, inspection, audit, safety or regulatory requirements concerning the Site, Facility, and the Authority's ownership, operations, business, and/or use of the same.

16.1.5 Any corrective work required by this Section which otherwise meets the requirements of a R/R Project shall be reflected on the R/R Project Schedule, including, but not limited to, any corrective work required to comply with the requirements of any permit or approval; and such shall be funded and performed by the Authority pursuant to the processes and procedures set forth in **Article 18** hereto.

16.2 ADA.

16.2.1 Pursuant to the terms of this Agreement, the Authority is providing services as defined herein throughout the design and construction of the Facility, and the Authority has the responsibility of designing and constructing the Facility to be compliant with the requirements of the ADA. The Authority acknowledges that the Authority is solely responsible for ensuring the Facility is designed and constructed in accordance to the requirements of the ADA.

16.2.2 The Authority is solely responsible for all ADA compliance requirements and all ADA complaints, litigation, claims or lawsuits, of whatsoever kind or nature, regardless of whether arising during the development of the Facility and prior to occupancy, or thereafter, and including claims from occupants, guests, invitees, contractors, agents, or any other person or entity, and including, but not limited to, claims, litigation or lawsuits involving the Site, the Facility, Personal

Property used at the Facility, and Capital Improvements, and regardless of whether arising from Facility design, use, ownership, operation, access or other issues. The Authority shall advise the County of any lawsuits filed against the Authority related to the Facility within 15 Days of receipt of the claim and annually provide County updates as to the status of the litigation.

16.2.3 The Authority has the obligation to implement reasonable operating accommodations to achieve ADA compliance; but to the extent that modifications to the Facility are required, they will be considered Capital Improvements. If such modifications will cause a change in capacity or function of the Facility, the Authority shall advise the County and present the County with a plan for review and approval.

ARTICLE 17

CAPITAL IMPROVEMENTS

17.1 County Approval. All Capital Improvements proposed by the Authority to be made to the Facility shall require the prior written consent of the County in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. The Authority shall submit to the County the scope of work and, if approved in writing by the County, all Capital Improvements proposed by the Authority to be made to the Facility shall be undertaken, performed and 100% funded by the Authority. The County shall have no obligation to reimburse or pay the Authority for any Capital Improvement. In addition, all Capital Improvements shall be promptly integrated into the R/R Project Schedule.

17.2 Responsibility. All work done by the Authority shall be performed in a good and workmanlike manner using good quality materials and supplies and shall be diligently prosecuted to completion strictly in accordance with the plans and specifications. The Authority shall obtain all development approvals and permits from the appropriate regulatory agencies prior to commencing any Capital Improvements and shall perform all such Capital Improvements in compliance with all applicable Public Laws.

17.3 Implementation of Capital Projects. The Authority is solely responsible for all required licensing, safety inspections, Repair and Maintenance, and operation of all Capital Improvements, if applicable.

ARTICLE 18

RENEWAL/REPLACEMENT PROJECTS

18.1 Renewal/Replacement (R/R) Projects.

18.1.1 The Authority agrees that it is important to establish and fund a program to address R/R Projects in order to ensure that age, use and deterioration of the Facility does not adversely impact its use or the cost to maintain the Facility. The R/R Project Schedule shall project, at a minimum, R/R Project requirements of the Facility and Site for the upcoming Budget Year and the next nine (9) Budget Years thereafter. The R/R Project Schedule shall also include the projected annual revenue allocated to the Authority R/R Project Reserve and balance before and after the current expenditures.

18.1.2 The Authority is responsible for funding 100% of the R/R Projects as identified on the Approved R/R Project Schedule.

18.1.3 No later than March 15 of each year, the Authority shall submit to County its proposed R/R Project Schedule for review. The R/R Project Schedule shall include each and every item with a reasonable remaining life span of less than 10 years, its projected year for renewal or replacement and the estimated cost of the renewal or replacement task. With the R/R Project Schedule, the Authority shall also submit a log of all active warranties. For items that are still covered by an active warranty, the Authority shall look first to the warranty for replacement rather than the R/R Project Reserve. No later than May 31, the County will notify the Authority of County Staff's questions, comments, recommendation or approval of the R/R Project Schedule.

18.1.3.1 The first R/R Project Schedule shall be submitted no later than March 15 of the year following the first full year of Facility operation and shall include all the information set out in **Section 18.1.3** above. Along with the first R/R Project Schedule, the Authority shall also include a planning document that sets out all items that will need to be replaced during the initial 34 year term of this Agreement.

18.1.3.2 For each subsequent annual submittal, the R/R Project Schedule shall be updated to reflect any changes made necessary as a result of mid-year modifications, differing physical field conditions which may accelerate or extend the replacement year, and/or updated project estimate. The Authority shall submit with the updated R/R Project Schedule a detailed written narrative for each and every R/R Project that was not included in the Approved R/R Project Schedule, providing an explanation as to why such R/R Project had previously not been included in the R/R Project Schedule. Within thirty (30) Days after the County's receipt of the updated R/R Project Schedule, representatives of FD&O and the Authority shall meet at the Facility in order to review and discuss the updated R/R Project Schedule and agree upon any changes to the updated R/R Project Schedule.

18.1.3.3 The County and the Authority both agree to cooperate in the development of the updated R/R Project Schedule so that the R/R Projects are undertaken in a timely manner to ensure that the asset is renewed/replaced prior to material degradation of the utility/appearance of the asset, while recognizing periodic financial constraints of the Authority. Material degradation of an asset occurs when; 1) the asset's condition is or may cause damage or increased costs to renew/replace other assets, 2) the asset's condition represents a hazardous condition that may increase liability, and/or 3) the asset has deteriorated in utility and appearance or has failed or is likely to fail.

18.1.4 The Authority shall have the obligation to implement and fully fund the Approved R/R Project Schedule for each Budget Year.

18.2 Mid-Year Modifications to Approved R/R Project Schedule.

18.2.1 The Authority shall have the right to request mid-year modifications to the Approved R/R Project Schedule only for an emergency R/R Project by submitting a written request for a mid-year modification. Such request for modification shall include the scope, cost, schedule for implementation and the justification for the emergency R/R Project.

18.2.2 Notwithstanding the above, the Authority has the absolute obligation to immediately respond to emergencies and/or situations that may pose a danger to the health and/or safety of

persons or that may impact the integrity of the Facility.

18.3 R/R Project Reserves. The Initial R/R Project Reserve was established pursuant to Sections 7.3.5 and 7.6 of this Agreement and contains 1) any remaining Development Fee and 2) the Construction Savings, if any, accomplished during the construction of the Facility which will be maintained by the County and be the subject of requisition by the Authority in order to fund the initial capital R/R Project obligations of the Authority. Authority may submit a payment certification and requisition to the County for capital R/R project costs which should include the R/R Project Schedule and purchase order/contract for the work. The Authority will first use the Initial R/R Project Reserves to fund its capital R/R obligations pursuant to this Agreement, until the Initial R/R Project Reserves are exhausted. The funds in the Initial R/R Project Reserve shall only be used for capital projects on the R/R Project Schedule; no Personal Property may be purchased with the funds in the Initial R/R Project Reserve. The parties acknowledge that the Initial R/R Project Reserves are a small portion, if any, of the funding that will be required to fund the R/R obligations pursuant to this Agreement. The Authority shall establish and fund the Authority R/R Project Reserve to fund its R/R Project obligations which exceed the Initial R/R Project Reserve.

18.4 Implementation of R/R Projects.

18.4.1 All R/R Projects shall be performed in a good and workmanlike manner using good quality materials and supplies and components and replacement parts that are of equal or better quality than the quality of those being repaired or replaced and shall be performed through completion. The Authority shall obtain all development approvals and permits from the appropriate regulatory agencies prior to commencing any R/R Projects and shall perform all such R/R Projects in compliance with all applicable Public Laws.

18.4.2 The Authority shall use its standard purchasing practices for all contracts/purchase orders entered into in connection with R/R Projects., including compliance with all applicable requirements of Florida Statutes Chapter 255, as may be amended.

**ARTICLE 19
RESERVED**

**ARTICLE 20
DAMAGE/DESTRUCTION OF FACILITY**

20.1 Casualty Loss. If all or any portion of the Facility is damaged or destroyed by fire, flood or other casualty (a "Casualty Loss"), the Authority shall fund the repair and restoration of the Facility to the greater of the condition existing immediately prior to such Casualty Loss or the condition required by Public Laws. The Authority agrees to use good faith efforts to apply any applicable benefits and proceeds under any applicable insurance policies received for the Facility to restore the Facility to a usable condition in the shortest period of time.

If, in the Authority's good-faith judgment, there is substantial interruption with the operation of the Authority's activities at the Facility as a result of a Casualty Loss which requires the Authority to temporarily use other facilities or suspend operations at the Facility, then the Authority shall fully cooperate and assist the County in placing displaced tenants at other facilities and the

Authority's obligations under this Agreement shall be temporarily suspended until the Authority has performed its obligation to fund the repair and restoration of the Facility as required in this **Section 20.1** to permit the intended use hereunder. In addition, the Authority agrees, after thoroughly evaluating all occupant and operational safety issues and determining that it is safe to do so, to resume the use of the Facility for the intended purpose of providing housing to eligible low, very low and extremely low income residents in advance of the entire restoration being completed.

If the Facility repair and restoration is not or will not be funded by the Authority as required in this Article within one (1) year of the date of the Casualty Loss, then the Authority will have the option to terminate this Agreement and turn over any insurance proceeds to the County. The Authority shall provide written notice of termination pursuant to this **Section 20.1** to the County, and upon such termination, the County and the Authority shall be relieved of their obligations hereunder, except as expressly provided herein to the contrary in this Agreement; and the Authority shall convey its ownership interest in the Facility and Site to the County by statutory warranty deed surrender the Property in accordance with **Article 25**, turn over the funds in the Authority maintenance account, contingency fund and R/R Project Reserve to the County, and, if requested by the County, assign all operational contracts to the County.

20.2 Protective Measures for Wind Events. In advance of a named tropical storm or other local public service announcements of sustained winds in excess of 45 mph, the Authority has the responsibility and obligation for taking reasonable measures to prepare the Facility as the owner of the Site and Facility. Particularly, the Authority shall be responsible for securing personal property, ensuring that all building openings are closed, installing wind protection devices and for removing construction materials and any other temporary equipment that may otherwise be stored on the Site. Within 48 hours of a wind event concluding or as soon as reasonably safe to do so thereafter, the Authority has the responsibility and obligation to; i) evaluate the Site for damage to the Facility and ii) take steps to mitigate further damage to the Facility and proceed with the repair and restoration of the Facility.

PART IV – GENERAL PROVISIONS APPLICABLE TO DEVELOPMENT AND OPERATIONS

ARTICLE 21 INSURANCE AND INDEMNIFICATION

21.1 Authority Insurance.

21.1.1 Without waiving the right to sovereign immunity as provided by section 768.28, Florida Statutes ("Statute"), the Authority represents that it is a political sub-division of the state subject to the limitations of Florida Statutes 768.28 as may be amended. Authority shall maintain a fiscally sound and prudent insurance program with regard to its liabilities under this Agreement.

21.1.2 Should Authority purchase excess liability coverage, Authority shall include County as an Additional Insured.

21.1.3 The Authority agrees to maintain or to be self-insured for Workers' Compensation

insurance in accordance with Chapter 440, Florida Statutes.

21.1.4 The Authority shall require any contracted third party performing any service related to this Agreement to maintain insurance and bonds as required in its respective contract with the Authority, but in no event shall the insurance required be less than the following:

- A.** Commercial General Liability insurance with limits of no less than \$1,000,000 combined single limit for property damage and bodily injury per occurrence and \$2,000,000 per aggregate. Authority shall also require that the consultant or contractor or subcontractor include a Waiver of Subrogation against County.
- B.** Business Automobile Liability insurance with limits of no less than \$1,000,000 combined single limits for property damage and bodily injury per occurrence.
- C.** Workers' Compensation insurance in compliance with Chapter 440, Florida Statutes, and which shall include coverage for Employer's Liability with limits of no less than \$1,000,000 each accident.
- D.** Construction contractors must also provide Builder's Risk in an amount equal to 100% of the completed total construction value of the project. Coverage shall be provided on an All-Risks basis including coverage for the perils of wind and flood. County and Authority shall be listed as Loss Payees.
- E.** Design professionals must also provide Professional Liability, or equivalent Errors & Omissions Liability, at a limit of liability not less than \$1,000,000 per occurrence.
- F.** All insurance policies must be issued by an insurance carrier with an A.M. Best rating of A- and Class VII or better.
- G.** The Authority shall require its contractors, consultants or subcontractor to include County and Authority as Additional Insureds on each applicable liability insurance policy. The Additional Insured endorsement for the County shall read "Palm Beach County Board of County Commissioners, a political subdivision of the State of Florida, its Officers, Employees and Agents", c/o Facilities Development and Operations Department, 2633 Vista Parkway, West Palm Beach, FL, 33411.

21.1.5 After construction is completed on the Facility, and contemporaneous with the expiration of any Builder's Risk insurance policy so that there is no gap in coverage for the Facility, Authority shall maintain:

- A.** Property insurance in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements. The settlement clause shall apply on a Replacement Cost basis. County and Authority shall be listed as Loss Payees.

- B. Windstorm insurance, unless included as a covered peril in the property insurance, in an amount not less than one hundred percent (100%) of the total replacement cost of the building, betterments and improvements, or the maximum amount available under the Florida Windstorm Underwriting Association. County and Authority shall be listed as Loss Payees.

21.1.6 The Authority shall provide an affidavit or Certificate of Insurance evidencing insurance or self-insurance every year upon the annual anniversary of the Effective Date of this Agreement and at any time within forty-eight (48) hours of a request by County.

21.1.7 Compliance with the foregoing requirement shall not relieve the Authority of its liability and obligations under this Agreement.

21.2 Indemnification.

21.2.1 Definition. For purposes of this **Section 21.2** only, the term “County Indemnified Parties” means the County, including its respective agents, employees and elected officials.

21.2.2 Indemnification by Authority. Nothing in this Agreement shall be construed as a waiver of sovereign immunity of the County or the Authority pursuant to Section 768.28, Florida Statutes. Each party shall be liable for its own actions and negligence, and to the extent permitted by law, the Authority agrees:

- A. to protect, defend, reimburse, indemnify and hold County Indemnified Parties free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney’s fees at trial and appellate levels) and causes of action of every kind and character against, or in which County is named or joined, for any damage to property or the environment, economic losses, or bodily injury (including death) incurred or sustained by any person, arising out of, or in incident to, or in connection with; (i) the Development and Construction Services performed by the Authority pursuant to this Agreement, (ii) the Authority’s ownership, use and operation of the Facility, including but not limited to, the driveways, sidewalks, walkways, entrances and exits from the Facility, (iii) any act or omission of the Authority, and/or (iv) the Authority’s performance, non-performance or purported performance under this Agreement;
- B. to hold harmless and indemnify County for fines, citations, court judgments, insurance claims, restoration costs or other liability resulting from Authority’s activities pursuant to this Agreement, whether or not Authority was negligent or even knowledgeable of any events precipitating a claim or arising as a result of any situation involving the Authority’s activities;
- C. in case County shall be made a party to any litigation commenced against the Authority or by the Authority against any third party related to the Authority’s activities or obligations pursuant to this Agreement, then Authority shall protect and hold harmless and pay all costs and attorney’s fees incurred by County in connection with such litigation, and any appeals thereof.

21.2.3 The foregoing indemnification shall not apply to the extent any claims, liabilities, expenses, losses, fines and damages arise from the negligent or willful acts of the County Indemnified Parties.

21.2.4 In each contract with a consultant, contractor, vendor or subcontractor performing any service related to this Agreement, the Authority shall require the consultant, contractor, vendor or subcontractor to indemnify the County.

21.3 Litigation. The Authority shall be responsible for the defense of all litigation, hearings, claims, demands or suits, including appeals, or other liability, arising as a result of the development, construction, operation, use or ownership of the Site and/or Facility, including such litigation, claims, demands, suits and proceedings where the County has been named as a defendant or respondent, to the extent such litigation, claim, demand or suit, concerns any obligation or duty of the Authority concerning the Site and/or Facility, under this Agreement. This includes, but is not limited to, claims, demands, accidents or injuries, suits, or other liability involving personal injuries at the Facility, including, but not limited to, driveways, sidewalks, entrances and exits from the Site and Facility. Notwithstanding the above, the Authority shall not be responsible for the defense of any taxpayer challenge to County or governmental funding of the Site and Facility. The County agrees to be responsible for all litigation, hearings, claims, demands or actions, including appeals, or other liability, to the extent and limits provided in Florida Statutes, Section 768.28, arising solely from the actions of the County's employees. The parties acknowledge that the foregoing shall not; 1) constitute an agreement by the County to indemnify the Authority; 2) be construed as a waiver of sovereign immunity, 3) constitute a waiver of any defense the County may have under Section 768.28, Florida Statutes, or any other statutes, or 4) constitute consent to be sued by third parties.

ARTICLE 22

DISPUTE RESOLUTION

The Authority and the County agree to make every reasonable effort to resolve any dispute under this Agreement prior to either party's proceeding to file suit due to a default by the other party. Accordingly, in the event of a dispute related to the performance of either the Authority or the County under this Agreement, the Authority and the County agree not to file a lawsuit until they have engaged in an expedited dispute resolution process including mediation, the parameters of which are to be agreed upon by the parties. The process is initiated by delivery of written notice to the other party, setting forth the subject of the dispute, claim or controversy and the relief requested. Within ten (10) Days after the receipt of the foregoing notice, the other party shall deliver a written response to the initiating party's notice. The initial mediation sessions shall be within thirty (30) Days from the initiating notice. The parties agree to share equally in the costs and expenses of the mediation and to each bear their own attorneys' fees and costs. This Article shall not apply to the termination of this Agreement by a party for a reason other than a default by the other party.

ARTICLE 23

DEFAULT

23.1 Authority's Default. The Authority shall be in default upon:

- A. The failure of the Authority to transmit amounts due to any Construction Subcontractor or any Consultant under any Consultant Contract or any Construction Subcontract, after receipt of payment of Actual Costs from County, unless the monies due represent a Cost Overrun attributable to the Authority as provided in **Sections 7.2 and 8.2**, as and when due under this Agreement, provided that the County has provided to the Authority written notice of such failure, and such failure continues for fifteen (15) Days after the receipt by the Authority of such written notice; and/or
- B. The failure of the Authority in the performance of any material obligations under this Agreement, provided that the County has given the Authority written notice of such failure, specifying with detail, the nature of such failure, and such failure is not cured within thirty (30) Days following the receipt by the Authority of such written notice from the County, or, provided that such failure cannot be cured within such thirty (30)-Day period, if the Authority does not commence to cure such failure within such thirty (30)-Day period and thereafter diligently pursue the cure of such failure.

23.2 County Remedies. Upon a default by Authority, County shall have the right to: (1) grant the Authority a reasonable period of time within which to cure such default during which time the Authority shall utilize the Authority's best efforts to remedy such default; and/or (2) seek dispute resolution pursuant to **Article 22** herein to resolve said dispute; and/or (3) subject to the requirements of **Article 22**, seek specific performance of the terms of this Agreement and/or (4) terminate this Agreement pursuant to **Article 24** hereof and/or (5) such other remedies as available by law or in equity as a result of such default.

23.3 County's Default. The County shall be in default upon:

- A. The failure of the County to pay the Authority amounts due to the Authority under this Agreement, as and when due, provided that the Authority has provided to the County written notice of such failure, and such failure continues for fifteen (15) Days after the receipt by the County of such written notice; and/or
- B. The failure of the County in the performance of any material obligations under this Agreement, provided that the Authority has provided the County with written notice of such failure, specifying with detail, the nature of such failure, and such failure is not cured within thirty (30) Days, following the receipt by the County of such written notice from the Authority, or, provided that such failure cannot be cured within such thirty (30)-Day period, if the County does not commence to cure such failure within such thirty (30)-Day period and thereafter diligently pursue the cure of such failure.
- C. The failure of the County to refer any low, very low and/or extremely low income households for placement in an available unit, as set forth in **Section 11.4** hereof, for a period of more than one (1) year.

23.4 Authority Remedies. Upon a default by the County, the Authority shall have the right to:

(1) grant County a reasonable period of time within which to cure such default during which time County shall utilize County's best efforts to remedy such default; and/or (2) seek dispute resolution pursuant to **Article 22** herein to resolve said dispute; and/or (3) subject to the requirements of **Article 22**, seek specific performance of the terms of this Agreement and/or (4) terminate this Agreement pursuant to **Article 24** hereof and/or (5) such other remedies as available by law or in equity as a result of such default.

ARTICLE 24

TERM AND TERMINATION

24.1 Term.

24.1.1 Initial Term. The initial term of this Agreement shall commence on the Effective Date and shall continue for a period of thirty-four (34) years or until otherwise terminated pursuant to the terms of this Agreement (the "Term").

24.1.2 Renewals. This Agreement may be renewed for two (2) additional terms of thirty (30) years each. At least six (6) months prior to the expiration of this Agreement's term, the Authority shall provide the County with a request to renew this Agreement. Such renewal will require the approval of both parties and the County may not unreasonably withhold its approval of the renewal.

24.1.3 Expiration. Upon expiration of the initial Term or any renewal Term, the Authority shall convey its ownership interest in the Facility and Site to the County by statutory warranty deed, surrender the Property in accordance with **Article 25**, turn over the funds in the Authority maintenance account, contingency fund and R/R Project Reserve to the County, and, if requested by the County, assign all operational contracts to the County.

24.2 Optional Termination Prior to the Conveyance Date. Prior to the Conveyance Date, this Agreement may be terminated by either party in the event that the Authority is unable to obtain all required permits and approvals for construction of the Facility by **September 13**, or the Authority discovers unforeseen site conditions that would require extensive site improvements that would make the project financially unfeasible based upon the Program Cost Estimate submitted by the Authority in its Step 2 Proposal. The County, in its sole discretion, may agree to extend this date at the request of the Authority. In the event of such termination by either party, the Authority shall assign all Consultant Contracts and Construction Subcontracts to the County and deliver all design plans, drawings, specifications or other work product to the County.

After assignment of the contracts and delivery of the work product to the County, the County will pay the Authority's Actual Costs to the date of termination in accordance with and subject to the provisions of **Article 8**. The terminating party shall deliver a written notice of termination, which shall be effective on the Effective Termination Date.

24.3 Termination by the County for Authority Default after the Conveyance Date. After the Conveyance Date, the County shall have the right to terminate this Agreement upon default by the Authority.

24.3.1 If the termination for Authority's default occurs after the Conveyance Date but before Final Completion of the Facility, the Authority shall 1) assign all Consultant Contracts and Construction Subcontracts to the County, 2) deliver all design plans, drawings, specifications or other work product to the County, 3) convey its ownership interest in the Facility and Site to the County by statutory warranty deed and 4) surrender the Property in accordance with **Article 25**. After assignment of the contracts, delivery of the work product, transfer of ownership and surrender of the property to the County, the County will pay the Authority's Actual Costs to the date of termination in accordance with and subject to the provisions of **Article 8**.

24.3.2 If the termination for Authority's default occurs after Final Completion of the Facility, the Authority shall convey its ownership interest in the Facility and Site to the County by statutory warranty deed, surrender the Property in accordance with **Article 25**, turn over the funds in the Authority maintenance account, contingency fund and R/R Project Reserve to the County, and, if requested by the County, assign all operational contracts to the County.

24.3.3 If County terminates the Agreement for Authority default under this section, then the County shall deliver a written notice of termination to the Authority which shall be effective on the Effective Termination Date.

24.4 Termination by the Authority for County Default after the Conveyance Date. After the Conveyance Date, the Authority shall have the right to terminate this Agreement upon default by the County.

24.4.1 If the termination for County's default occurs after the Conveyance Date but before Final Completion of the Facility, the Authority shall 1) assign all Consultant Contracts and Construction Subcontracts to the County, 2) deliver all design plans, drawings, specifications or other work product to the County, 3) convey its ownership interest in the Facility and Site to the County by statutory warranty deed and 4) surrender the Property in accordance with **Article 25**. After assignment of the contracts, delivery of the work product, transfer of ownership and surrender of the property to the County, the County will pay the Authority's Actual Costs to the date of termination in accordance with and subject to the provisions of **Article 8**.

24.4.2 If the termination for County's default occurs after Final Completion of the Facility under **Section 23.3(A)** or **(B)**, the Authority shall convey its ownership interest in the Facility and Site to the County by statutory warranty deed, surrender the Property in accordance with **Article 25**, turn over the funds in the Authority maintenance account, contingency fund and R/R Project Reserve to the County, and, if requested by the County, assign all operational contracts to the County.

24.4.3 If termination for County's default occurs after Final Completion of the Facility under **Section 23.3(C)**, the Authority shall have the option to terminate this Agreement and retain ownership of the Facility, Site, and the funds in the Authority maintenance account, contingency fund and the R/R Project Reserve, except that any funds in the Initial R/R Project Reserve shall remain with the County and become the property of the County.

24.4.4 If Authority terminates the Agreement for County default under this section, then the Authority shall deliver a written notice of termination to the County which shall be effective on the Effective Termination Date.

24.5 Survival. The following provisions shall survive termination of this Agreement: **Article 9** and **Sections 8.5, 21.2, 21.3, 27.3, 27.4, 27.7, 27.8, 27.16 and 27.26.4.**

24.6 Effective Termination Date. Termination shall be effective on the Effective Termination Date, subject to the survival of any provisions which either specifically survive termination or which by their nature are intended to survive.

ARTICLE 25

SURRENDER OF FACILITY

The provisions of this **Article 25** regarding surrender of the Facility shall apply to the expiration or any termination of the Agreement, except for termination under **Section 24.4.3.**

25.1 Return of Facility. At the expiration or termination of this Agreement, the Authority shall return the Facility to its original or subsequently improved condition (ordinary wear and tear, insured casualty, loss or damage by fire, elements or other causes, approved changes in design, or installation of Capital Improvements excepted), and return to the County all equipment and personal property paid for by the County, after inspection of the Facility, which inspection shall be made jointly by the County and the Authority. Promptly after such inspection, if any repairs are deemed to be necessary which result from the Facility or the County's equipment and personal property not being maintained to a standard that is consistent with the standards of maintenance for similar types of facilities that provide housing to eligible low, very low and extremely low income residents in Palm Beach County, the Authority shall have the option to: (i) make necessary repairs; or (ii) pay to the County any damages due for damage to the Facility or to personal property (for both (i) and (ii) ordinary wear and tear, insured casualty, loss or damage by fire, elements or other causes, approved changes in design, or installation of Capital Improvements are excepted), also excepted is damage caused by the assigns, agents, employees or officers of the County or was otherwise not caused by any fault of the Authority. In the event that the Authority and the County cannot agree on repairs to be made pursuant to subsection (i) or the amount of damage pursuant to subsection (ii), the Authority and the County agree to expeditiously submit the matter to dispute resolution pursuant to **Article 22** of this Agreement.

25.2 Disposition of Non-County Property. The Authority shall have the right, upon expiration or termination of this Agreement, and within sixty (60) Days thereafter, to remove from the Facility all movable property which is not permanently affixed to the structure and which was not paid for by the County; provided, however, that the Authority will give the County thirty (30) Days' notice (pursuant to **Section 27.6** of this Agreement) prior to such proposed removal of items, not paid for by the County or permanently affixed to the structure; and provided further that the Authority's removal of such items shall not materially adversely affect the structural integrity of the Facility, in the opinion of a neutral third-party State of Florida-licensed engineer who will review such proposed removal at the Authority's and County's joint expense. The Authority agrees to repair any damage caused by such removal to the County's reasonable satisfaction. The

Authority shall not remove any property which was placed on, constructed at, or affixed to, the Facility as a replacement or addition of property following Substantial Completion.

25.3 Cooperation in Transition. If this Agreement is terminated under **Article 24** after the Final Completion of the Facility, the Authority agrees to cooperate with the County to ensure a smooth transition in operations so the tenants are not displaced or inconvenienced. Authority shall provide County with copies, as requested, of all books and records related to Facility operations, rent collections and subsidies and support services.

ARTICLE 26

COUNTY'S AND AUTHORITY'S REPRESENTATIONS

26.1 Authority Representations. The Authority represents and warrants to the County that as of the date of this Agreement:

- A. Public Entity.** The Authority is a duly organized and validly existing political subdivision of the State of Florida; that the Site is within the Authority's authorized area of operation; that this Agreement has been authorized by all necessary bodies and parties required for its execution, is validly executed by the Authority, and is binding upon and enforceable against the Authority in accordance with its terms; and that the Authority has the legal authority to perform the duties and obligations of this Agreement.
- B. No Violation of Law.** The Authority is not in violation of any applicable Public Laws, which violations, individually or in the aggregate, could adversely affect its ability to perform its obligations under this Agreement.
- C. Consents.** To its knowledge, neither the execution nor delivery by the Authority of this Agreement nor the consummation of any of the transactions by the Authority that may be contemplated hereby requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any regulatory authority or agency.
- D. Execution and Delivery.** This Agreement has been duly executed and delivered by the Authority and constitutes the legal, valid and binding obligation of the Authority enforceable in accordance with the terms hereof.
- E. Litigation.** The Authority is not a party to any legal, administrative, arbitration, investigative (to the best of its knowledge) or other proceeding or controversy pending or, to the best of its knowledge, threatened, which could have a material adverse effect on its operations, condition (financial or otherwise) or its ability to perform under this Agreement.

26.2 Notification of Changes. The Authority further agrees that it will notify the County immediately if at any time during the Term of this Agreement any of the foregoing representations ceases to be accurate and complete in any material respect.

26.3 County Representations. The County represents and warrants to the Authority that, as of the date of this Agreement, the County is a duly organized and validly existing political subdivision of the State of Florida; that this Agreement has been authorized by all necessary bodies and parties required for its execution, is validly executed by the County, and is binding upon and enforceable against the County in accordance with its terms.

ARTICLE 27

MISCELLANEOUS PROVISIONS

27.1 Public Entity Crimes. As provided in Sections 287.132 and 287.133, Florida Statutes, by entering into this Agreement or performing any work in furtherance hereof, the Authority certifies that it, its suppliers, contractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the date hereof. This notice is required by Subsection 287.133(3)(a), Florida Statutes. The Authority will contractually obligate the Consultant(s) and Construction Subcontractor(s) to submit to the Authority, and to cause its Subcontractors of any tier to submit to the Authority, the certification set forth in this **Section 27.1**, with respect to such Consultants and Construction Subcontractors.

27.2 Contingent Fees. The Authority warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Authority to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Authority, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement.

27.3 Access and Audits; Inspector General. The Authority shall maintain adequate records to justify all charges, expenses and costs incurred under this Agreement for at least five (5) years after completion or termination of this Agreement. The County shall have access to such books, records, and documents as required in this Section for the purpose of inspection or audit during normal business hours, at the Authority's place of business.

Palm Beach County has established the Office of the Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Authority, its officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 - 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

27.4 Public Records. Notwithstanding anything contained herein, as provided under Section 119.0701, F.S., if the Authority: (i) provides a service; and (ii) acts on behalf of the County as provided under Section 119.011(2) F.S., the Authority shall comply with the requirements of

Section 119.0701, Florida Statutes, as it may be amended from time to time. The Authority is specifically required to:

- A. Keep and maintain public records required by the County to perform services as provided under this Agreement.
- B. Upon request from the County's Custodian of Public Records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law. The Authority further agrees that all fees, charges and expenses shall be determined in accordance with Palm Beach County PPM CW-F-002, Fees Associated with Public Records Requests, as it may be amended or replaced from time to time.
- C. Ensure that public records that are exempt, or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement, if the Authority does not transfer the records to the public agency.
- D. Upon completion of the Agreement the Authority shall transfer, at no cost to the County, all public records in possession of the Authority unless notified by County's representative/liaison, on behalf of the County's Custodian of Public Records, to keep and maintain public records required by the County to perform the service. If the Authority transfers all public records to the County upon completion of the Agreement, the Authority shall destroy any duplicate public records that are exempt, or confidential and exempt from public records disclosure requirements, to the extent permissible by law. If the Authority keeps and maintains public records upon completion of the Agreement, the Authority shall meet all applicable requirements for retaining public records. All records stored electronically by the Authority must be provided to County, upon request of the County's Custodian of Public Records, in a format that is compatible with the information technology systems of County, at no cost to County.

Failure of the Authority to comply with the requirements of this Article shall be a material breach of this Agreement. County shall have the right to exercise any and all remedies available to it, including but not limited to, the right to terminate for cause. The Parties acknowledge that the Authority as a public agency is also subject to the requirements of Chapter 119, F.S., and other requirements of state law applicable to public records not specifically set forth herein.

IF THE AUTHORITY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUTHORITY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT THE BUSINESS AND COMMUNITY AGREEMENTS MANAGER, FACILITIES DEVELOPMENT & OPERATIONS, 2633 VISTA PARKWAY, WEST PALM BEACH, FL 33411, OR BY E-MAIL AT

FDORECORDSREQUEST@PBCGOV.ORG OR BY TELEPHONE AT 561-233-5252.

27.5 Indebtedness. The Authority shall not pledge the County's credit or make it a guarantor of payment or a surety for any contract, debt, obligation, judgment, lien or any form of indebtedness; provided however, this provision shall not be deemed or construed to abrogate or diminish the County's obligations under this Agreement. The Authority further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Agreement.

27.6 Notice. All notices required in this Contract shall be sent by certified mail, return receipt requested, hand delivery or other delivery service requiring signed acceptance. If sent to the County, notices shall be addressed to:

Director, Facilities Development & Operations
2633 Vista Parkway
West Palm Beach, FL 33411

With copy to:

Palm Beach County Attorney's Office
301 North Olive Ave.
West Palm Beach, Florida 33401

If sent to the Authority, notices shall be addressed to:

Executive Director
West Palm Beach Housing Authority
3700 Georgia Avenue
West Palm Beach, FL 33405

With a copy to:

General Counsel
West Palm Beach Housing Authority
3700 Georgia Avenue
West Palm Beach, FL 33405

27.7 Governing Law and Venue; Remedies; No Third Party Beneficiaries. This Agreement shall be governed by the laws of the State of Florida. Any legal action necessary to enforce the Agreement will be held in a court of competent jurisdiction located in Palm Beach County, Florida.

No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other

or further exercise thereof.

No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the County and/or Authority.

27.8 WAIVER OF JURY TRIAL. THE PARTIES HERETO EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY TO THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE COUNTY AND THE AUTHORITY TO ENTER INTO THIS AGREEMENT.

27.9 Construction. In construing this Agreement, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so requires.

27.10 Binding Effect. The covenants, terms, conditions, provisions and undertakings in this Agreement, or in any renewals thereof, shall extend to and be binding upon the legal representatives, successors and assigns of the respective parties hereto as if there were in every case named and expressed and wherever reference is made to any of the parties hereto, it shall be held to include and apply also to the legal representatives, successors and assigns of such party as if in each and every case so expressed.

27.11 Further Instruments. The parties agree to execute and deliver any instruments in writing necessary to carry out any agreement, term, condition or assurance in this Agreement whenever the occasion shall arise and request for such instrument shall be made.

27.12 Entirety of Contractual Agreement. The County and the Authority agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto.

27.13 Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.

27.14 Compliance with Laws. None of the Parties hereto shall in any manner, directly or indirectly, violate the laws, ordinances, rules or regulations of any federal, state, county, city or other governmental authority or agency in connection with the development, construction, use,

operation and occupancy of the Facility under the terms of this Agreement.

27.15 Exhibits. All exhibits referenced in this Agreement are incorporated into this Agreement by such reference and shall be deemed to an integral part of this Agreement.

27.16 Attorney's Fees. In the event of litigation or arbitration arising under, or in connection with, this Agreement, each party shall bear and be responsible for their own attorneys' fees and costs at the pre-trial, trial and appellate levels. This provision shall survive the termination of this Agreement for any reason.

27.17 Captions. The captions contained in this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained herein.

27.18 No Waiver. Any waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall neither be considered a waiver nor deprive that party any right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing and signed by the party to be charged therewith.

27.19 Force Majeure. Except as otherwise provided herein, neither party shall be in default under, or breach of, this Agreement to the extent it is unable to perform due to an event of Force Majeure. For the purpose of this Agreement, "Force Majeure" shall mean and include any act of God, accident, fire, riot or civil commotion, act of public enemy, failure of transportation facilities, enactment, rule, order or act of government or governmental instrumentality (whether domestic or international and whether federal, state or local (except in the case of a rule, order or act by County), or the international equivalent thereof), failure of technical facilities, or any other cause of any nature whatsoever beyond the control of the parties which was not avoidable in the exercise of reasonable care and foresight. The party claiming the occurrence of a Force Majeure event shall promptly notify the other party of such occurrence, and the likely duration and termination thereof.

27.20 Counterparts. Provided that all parties hereto execute an original of this Agreement, this Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

27.21 Independent Contractor Relationship. The Authority is, and shall be, in the performance of all work, services and activities under this Agreement, an independent contractor, and not an employee, agent, or servant of the County. All persons engaged in any of the work or services performed pursuant to this Agreement shall at all times, and in all places, be subject to the Authority's sole direction, supervision, and control. The Authority shall exercise control over the means and manner in which it and its employees, contractors, consultants, subcontractors and suppliers perform the work, and in all respects the Authority's relationship and the relationship of its employees to the County shall be that of an independent contractor and not as employees or agents of the County.

The Authority does not have the power or authority to bind the County in any promise, agreement or representation.

27.22 Non-Discrimination. The County is committed to assuring equal opportunity in the award of contracts and complies with all laws prohibiting discrimination. Pursuant to Palm Beach County Resolution R2017-1770, as may be amended, the Authority warrants and represents that throughout the term of the Agreement, including any renewals thereof, if applicable, all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity or expression, or genetic information. Failure to meet this requirement shall be considered default of the Agreement.

27.23 Annual Appropriations. The County's performance and obligation to pay under this Agreement is contingent upon annual appropriations for its purpose by the Board.

27.24 Construction. No party shall be considered the author of this Agreement since the parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final agreement. Thus, the terms of this Agreement shall not be strictly construed against one party as opposed to the other party based upon who drafted it. In the event that any article, paragraph, sentence, clause, or provision hereof is held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

27.25 Assignment. This Agreement shall not be assigned by the Authority without the prior written consent of the County. The County shall not be entitled to assign this Agreement without the consent of the Authority.

27.26 E-Verify - Employment Eligibility.

27.26.1 Authority warrants and represents that it is in compliance with section 448.095, Florida Statutes, as may be amended, which provides in part that no later than January 1, 2021, Authority shall: (1) register with and use the E-Verify System (E-Verify.gov), to electronically verify the employment eligibility of all newly hired workers; and (2) verify that all of the Authority's consultants, contractors and subcontractors performing any duties and obligations under this Agreement are registered with and use the E-Verify System to electronically verify the employment eligibility of all newly hired workers.

27.26.2 Authority shall obtain from each of its consultants, contractors and subcontractors an affidavit stating that such consultant, contractor, subcontractor does not employ, contract with, or subcontract with an Unauthorized Alien, as that term is defined in section 448.095(1)(k), Florida Statutes, as may be amended. Authority shall maintain a copy of any such affidavit for, at a minimum, the duration of the contract or subcontract and any extension thereof. This provision shall not supersede any provision of this Agreement which requires a longer retention period.

27.26.3 County shall terminate this Agreement for cause if it has a good faith belief that

Authority has knowingly violated Section 448.09(1), Florida Statutes as may be amended.

27.26.3.1 If County has a good faith belief that Authority's consultant, contractor or subcontractor has knowingly violated Section 448.09(1), Florida Statutes, as may be amended, County shall notify Authority to terminate its contract with such consultant, contractor, or subcontractor and Authority shall immediately terminate its contract with such consultant, contractor or subcontractor.

27.26.4 If County terminates this Agreement pursuant to the above, Authority shall be barred from being awarded a future contract by County for a period of one (1) year from the date on which this Agreement was terminated. In the event of such contract termination, Authority shall also be liable for any additional costs incurred by County as a result of the termination.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in several counterparts, each of which shall constitute an original and all of which, taken together, shall constitute a single instrument.

ATTEST:
JOSEPH ABRUZZO
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Dave Kerner, Mayor

APPROVED AS TO LEGAL
SUFFICIENCY:

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
Assistant County Attorney

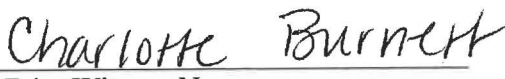
By:  _____
Director
Facilities Development & Operations

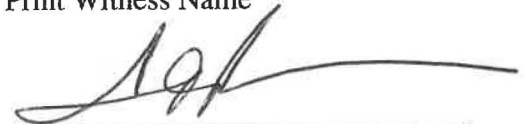
WITNESSES:

WEST PALM BEACH HOUSING
AUTHORITY, a public body corporate and
politic created under Section 421 of the Florida
Statutes

By:  _____
Witness Signature

By:  _____
Executive Director


Charlotte Burnett
Print Witness Name

By:  _____
Witness Signature

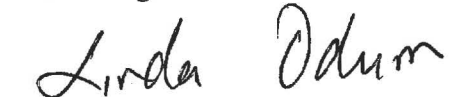

Linda Odum
Print Witness Name

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY / SITE

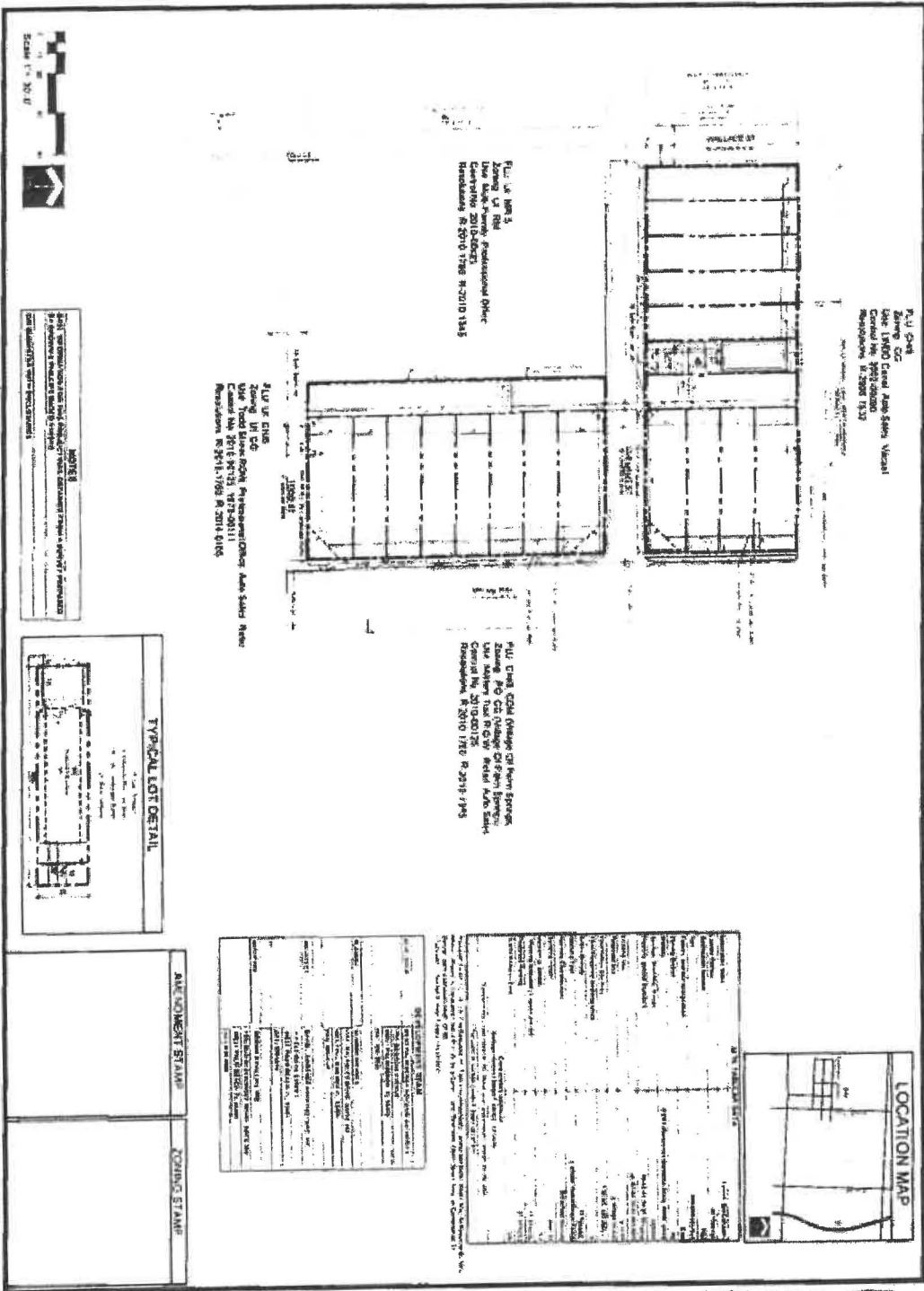
Parcel 1 (PCN 00-42-44-24-07-002-0070)

Lots 7 through 16, Block 2, Greenland Plat No. 1, Less the East 3 Feet of Lots 8 through 15, Inclusive, According to the Plat Thereof On File in the Office of the Clerk of the Circuit Court In and For Palm Beach County, Florida, Plat Book 4, Page 3.

Together With:

Parcel 2 (PCN 00-42-44-24-07-001-0010)

Lots 1 through 11, Less the East 3 Feet of Lots 8 through 11, Inclusive, Block 1, Greenland Plat No. 1, According to the Plat Thereof On File in the Office of the Clerk of the Circuit Court In and For Palm Beach County, Florida, Plat Book 4, Page 3.



Laurel Oak Cottages

Palm Beach County, Florida

**SCHMIDT
NICHOLS**

UNIVERSITY MICROFILMS
SERIALS ACQUISITION
300 N. ZEEB RD.
ANN ARBOR MI 48106-1500
TEL: 313/763-0900
FAX: 313/763-0600
E-MAIL: nicols@umich.edu
WWW: <http://www.umi.com>

**Preliminary
Subdivision
Plan**



SCHMIDT NICHOLS

**Project Narrative
Laurel Oak Cottages
Palm Beach County (PBC) RFP Submittal
Original Submittal: July 28, 2020**

Introduction

Schmidt Nichols ("Agent"), on behalf of the West Palm Beach Housing Authority ("WPBHA"), respectfully requests consideration of this proposal for 17 single-family cottage home lots for the project known as Laurel Oak Cottages. The 1.36-acre subject site (PCN: 00-42-44-24-07-001-0010, 00-42-44-24-07-002-0070) located on the northwest corner of Todd Street and Military Trail in unincorporated Palm Beach County, Florida ("subject property") is proposed to be developed to preserve the lot configuration of the existing plat (Plat Book 4, Page 3) per the Request for Proposal (RFP) request. Site access for each lot is proposed via individual driveway connections to Clemens Street and via the proposed 20' access easements. The proposed development will also contain a community neighborhood center on one lot for the use of the residents as a supportive site improvement, which will create cohesion of residential structures and will be located centrally on the site. The remaining three lots will be utilized for unit access and roadway.

Site/Subdivision Plan:

The site layout will be as follows:

- 8 cottage homes facing west on Lots 8 through 15, Block 2, Greenland Plat No. 1
- 5 cottage homes facing south on Lots 1 through 5, Greenland Plat No. 1
- 4 cottage homes facing west on Lots 8 through 11, Block 1, Greenland Plat No. 1
- Community Center will be placed on Block 1, Lot 6 of the Greenland Plat as a central location for all homes and will contain a community garden
- The remaining lots (Lot 7 and 16, Block 2, Greenland Plat No. 1 and Lot 7, Block 1, Greenland Plat No. 1) will be utilized for access and roadway

Currently, the subject property supports a Future Land Use Atlas designation of Commercial High with an underlying HR-8 (CH/8) and falls within the Urban/Suburban (U/S) Tier according to the Growth Management Tier System Maps outlined in the Comprehensive Plan Future Land Use Element. The subject property is within the Public Ownership (PO) zoning district. The subject property is also located in the Countywide Community Revitalization Team (CCRT Narcissus-Gardenia Area) Overlay, Revitalization Redevelopment and Infill Area Overlay (RRIO), and the Urban Redevelopment Area Overlay (URAO). In review of the Unified Land Development Code (ULDC), it should be noted the proposed use as Cottage Homes is not permitted in the PO zoning district, however, this has been discussed with the County and the County confirmed this is not an issue based on the application of the PO district intent.

The FLU allows for 8 dwelling units per acre, which yields 11 dwelling units in total, which exceeds the allowable density within the HR-8 FLU designation. The plat, however, indicates 21 total lots and the County has not required any density bonus/TDR purchase or land use change.

Below is a summary of surrounding properties:

| Adjacent Lands | FLU | Zoning | Uses |
|-----------------------------|------------------------|---------------------|--|
| Subject Property (Proposed) | CH/8 | PO | Cottage Home Lots |
| North | CH/8 | CG | LWDD Canal, Auto Sales, Vacant |
| South | UI, CH/8 | UI, CG | Todd Street ROW, Professional Office, Auto Sales, Retail |
| East | CH/8 (PBC), COM (VOPS) | PO (PBC), CG (VOPS) | Military Trail R.O.W., Retail, Auto Sales |
| West | UI, MR-5 | UI, RM | Multifamily |

Conceptual Landscape Plan:

The landscape plan and subdivision plan that have been provided are in compliance with provisions #1-7 and #18-23 to Exhibit F for the RFP minimum project requirements. A mailbox will be internal to the community center to service the entire site. The Proposed Conceptual Landscape Plan utilizes and incorporates Florida Friendly Landscape principles, which reduce water usages and energy consumption. A combination of low-maintenance plant species along with native plant species will attract wildlife including butterflies. Sod will be minimized in small areas or in shaded spaces where it is unlikely to thrive. These areas shall receive a combination of mulch and groundcover and will further help reduce water consumption. Tree species will be carefully selected so mature growth does not negatively affect the proposed homes or the existing/proposed utilities (including the FPL lines along Military Trail). Community garden plots located at the Community Center provide residents access to fresh food while strengthening community and increasing well-being.

On behalf of the property owners, Palm Beach County, Schmidt Nichols respectfully request your approval of this application to allow for a proposed subdivision plan providing 17 single-family cottage home lots.

EXHIBIT C
EXCLUDED COSTS

The following are Excluded Costs.

1. Any direct or indirect costs or expenses of the Authority's employees, other than the Contractor's Fee and the Authority's share of the Development Fee.
2. Any direct or indirect costs or expenses for attorneys and financial advisors retained by the Authority, even if such costs or expenses are for work performed on behalf of the Program.
3. Authority costs associated with financing any aspect of the Program not typically included in a Construction Subcontract and/or any Cost Overrun.
4. Costs associated with promotional items, including any marketing of the Facility and/or Program
5. Costs, fines, fees, penalties, including but not limited to termination costs, damages or other expenses of any kind associated with, or arising from, the Authority's contracts or other obligations outside of Palm Beach County.

EXHIBIT D
MINIMUM REQUIREMENTS

The following constitute the minimum project requirements.

1. Develop the property in a manner that preserves the lot configuration of the plat of record by construction of detached dwelling units. No vertical improvements shall be permitted to cross any established lot line.
2. Develop the property as a single phase of construction, such that all buildings and improvements are substantially complete for timely issuance of a Certificate of Occupancy (CO) at approximately the same time. Once commenced, construction shall continuously proceed to completion.
3. Provide not less than 17 total detached dwelling units. No lot shall support more than one (1) dwelling unit each.
4. Improve not less than one (1) lot as a building, structure, or feature for the common use and enjoyment by the occupants of the project. Examples include, but are not limited to, a neighborhood center, meeting hall, recreation amenity or other common improvements to support the housing units as a cohesive and self-supportive collection of residentially inhabited structures.
5. Upon satisfaction of items 3 and 4 above, any remaining lots shall be dedicated to recreation/open space, shared parking, and/or other improvements for the use and benefit of the residents of the project.
6. Provide no unit that is less than 800 gross square feet in size.
7. Provide no unit that is greater than 1,200 gross square feet in size.
8. Provide a collection of architectural designs consisting of a well-balanced number of two (2) and three (3) bedroom housing units. The proposed mix of units shall be at a ratio of one (1) three-bedroom unit for every two (2) two-bedroom unit (1:2), or approximately 66% of all units containing two (2) bedrooms. In no case shall a bedroom be less than 80 gross square feet excluding attached closet.
9. No unit shall contain less than one (1) or more than two (2) full bathrooms, in no case less than 50 square feet each, and including a linen closet. At least one (1) bathroom in each unit shall provide both bathing and showering capabilities (as combined unit or as separate fixtures).
10. Provide a Living / Great Room of not less than 150 square feet in each housing unit.
11. Provide a Kitchen of no less than 100 square feet and equipped with no less than a full size refrigerator and freezer, oven, range, and sink with garbage disposal in each housing unit.

12. Each unit shall be designed and constructed to include the following fully operable equipment:

- a. Central HVAC, no less than 14 SEER rating manufactured by Trane or Carrier (or equal equipment as determined in the sole and absolute discretion of the County), with fully programmable thermostat to be mounted in the Living Room or a common hallway in each unit
- b. Water heater, no less than 30 gallon capacity or tankless, manufactured by Rheem, Ruud, State or A.O. Smith (or equal equipment as determined in the sole and absolute discretion of the County).
- c. Clothes washer and dryer
- d. All applicable mechanical and electronic equipment shall be Energy Star certified
- e. Standard porcelain water and wastewater fixtures manufactured by American Standard, Chicago, Bradley, Kohler, Moen, Toto or Zurn (or equal equipment as determined in the sole and absolute discretion of the County)
- f. All fixed lighting shall be accompanied by a globe, housing or other customary fixture to present a finished appearance
- g. Standard electrical wiring, switches and outlets in all rooms, including white cover plates for all switches and outlets
- h. Conventional telephone wiring to no less than the Living/Great Room and a minimum of one (1) Bedroom (Master Bedroom, if applicable).
- i. Conventional cable line to no less than the Living Room

13. No unit shall be designed and constructed to include the following:

- a. Fireplace
- b. Wood burning stove
- c. Deep fryer
- d. Heat lamp
- e. Undercounter point-of-use water heaters ("insta-hots")
- f. Equipment installations in attic and/or crawl spaces
- g. Wood frame exterior walls
- h. Exposed (untreated/unfinished) wood
- i. Raw (unsealed/unfinished) concrete on vertical surfaces
- j. Exposed (untreated/unfinished) corrosive metals
- k. Rooftop mechanical equipment (excluding code required devices and solar panels serving the unit to which it may be attached)
- l. Skylights
- m. Exposed duct work
- n. Chimneys

14. Hard flooring (such as VCT, Sheet Vinyl or stained concrete), tile (quarry or ceramic), wood laminates and engineered products are required in all interior areas. All such products shall achieve a minimum Coefficient of Friction (COF) of 0.5 SCOF or 0.42

DCOF at time of installation, except for kitchen, restroom and laundry areas, which shall achieve a minimum value of 0.6 SCOF or 0.50 DCOF upon installation. Carpet will be allowed in bedrooms only and only with specifications and justification deemed acceptable to the County.

15. All kitchens and bathrooms shall be furnished with built-in cabinets of hardwood construction and/or engineered products, and include customary hardware. Countertops shall be provided where conventional and appropriate, and consist of quartz, stone, Corian, resin, glass, or a synthetic or engineered product of solid seamless construction together with no sharp corners or edges. Particleboard materials shall be prohibited.
16. Roofs shall be covered by a minimum warranty of 20 years for asphalt shingle (40 years multi-dimensional with substrate screwed to structural members) and cement tile application, and 20 years for modified bitumen and metal roofing (minimum .040 aluminum, stainless steel hardware, single lock mechanically rolled seam, underlayment and full length panels). Warranty shall be no dollar limit, single source, and joint installer and manufacturer's renewable guarantee covering the complete roofing system including roof membrane, flashing, insulation (if installed), fasteners, vapor retarders, etc. No loose aggregate or ballasted systems shall be permitted.
17. Provide no unit having a front façade that is the same outward architectural design and appearance as the front façade of an adjacent unit, excluding those units proposed for lots where the front or rear lot line abuts the side lot line of an adjacent lot.
18. A minimum of one (1) full/standard size paved vehicular parking space shall be provided on the same lot as each unit. This space may be in the form of a driveway, garage or both. Additional on-Site paved parking for units occupied by multiple vehicle owners, guests, service providers and other incidental parking demand is encouraged, including illumination required for such parking. Paving specification shall be sufficient for the intended type and volume of vehicular use, purpose of the applicable surface and customary life expectancy.
19. Except for mulched or other such treated planting beds/areas, paved pedestrian and vehicle use areas and/or other specific-purpose use areas, all exposed ground surfaces shall be covered by sod. Sod shall be St. Augustine, Bermuda, Centipede or Zoysia varieties only.
20. The outermost perimeter of the Site shall incorporate a landscape buffer conforming to or exceeding the applicable requirements of ULDC Article 7.C.
21. Each lot shall be furnished with a mailbox, or a communal mailbox of sufficient size to service the entire Site shall be provided.
22. Property and units must remain in governmental ownership at all times for rent to low, very low and/or extremely-low income households that are County residents, with priority being given to low, very low and/or extremely low income households on a waiting list(s)

maintained by Palm Beach County (with very low or extremely low income given the highest priority).

23. Design must be available for re-use by governmental entities in Palm Beach County at no additional cost with the exception of adaptations that would be necessitated by site-specific factors upon application elsewhere.
24. A minimum of one (1) unit shall be located on an accessible route and improved in a manner that is capable of being approached, entered and used by individuals with physical (mobility, hearing and visual) disabilities.

EXHIBIT E
PAYMENT CERTIFICATION AND REQUISITION

Board of County Commissioners
Palm Beach County, Florida

Name of Contract: Developer and Operator Agreement (R_____)

Payee: West Palm Beach Housing Authority

Amount to be Paid: \$ _____

The Authority has submitted a payment certification and requisition (with accompanying bills) to Palm Beach County, Florida (the "County") for payment for the above-referenced contract of the amount set forth above from moneys held by the Clerk. In this regard, the undersigned hereby certifies as follows:

- (i) that the obligation described above was incurred and is a proper charge against the Budgeted Amount.
- (ii) that the obligations described above, including any amounts retained by the County in the Budgeted Amount to be paid at such later date, have been incurred by, or through, the Authority and that each item thereof is a proper charge against the Budgeted Amount and has not been the basis of any previous withdrawal;
- (iii) that all prior distributions made pursuant to previous payment requisitions relating to the Facility were applied in the manner set forth in such payment requisition;
- (iv) that all required bonds, insurance and governmental approvals needed for the construction of the Facility, at this time, are in full force and effect;
- (v) that the Work performed to date has been satisfactorily performed in accordance with the contractual requirements; and
- (vi) that there has not been filed with or served upon the County or the Authority notice of any valid lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any moneys payable to any of the persons named in such requisition which has not been released or will not be released simultaneously with the payment of such obligation.

West Palm Beach Housing Authority, a public corporation created under Section 421.04 of the Florida Statutes

By: _____
Signature/Title

Print Name: _____

EXHIBIT F
ORGANIZATIONAL CHART FOR AUTHORITY'S PROGRAM TEAM

October 2020 - Cottage Homes - WPBHA structure

| | | | | | |
|-----------------------|-----------------|--|--|--|--|
| Cottage Homes Project | Executive Group | <div>Maggie Perez Executive Director</div> <div>Linda Odum Deputy Director</div> | | | |
| | Project Lead | <div>Charlotte Burnett General Counsel and Director of Development</div> | | | |
| | Project Team | <div>Philip Goombs Director of Finance</div> <div>Joel Hatcher Director of Construction Services</div> <div>Mike McManaman Director of Insurance and Contract Compliance</div> <div>Katy Smith Housing Management Analyst</div> <div>Kevin Brooks Paralegal and Project Administration</div> <div>Robert Moore Project Superintendent</div> <div>Supportive Services Coordinator</div> | | | |

EXHIBIT G
PROGRAM COST ESTIMATE

Laurel Oak Cottages
17 Single Family Homes, Detached
1 Community Building
New Construction
19,076 Total Square Footage
17,582 A/C Square Footage

| USES OF FUNDS | | Total | | Per Unit |
|----------------------------------|-------|--------------------|--|---------------------|
| Acquisition Costs | | | | |
| Building(s) | 0% | \$0 | | \$0 |
| Land | N/A | \$0 | | \$0 |
| Total Acquisition Costs | | \$0 | | \$0 |
| Hard Costs | | | | |
| Building Costs | | \$2,600,500 | | \$144,472.22 |
| Subtotal | | \$2,600,500 | | |
| General Contractor Fees | 14% | \$364,070 | | \$20.266.11 |
| Subtotal | | \$2,964,570 | | |
| Hard Cost Contingency | 10% | \$296,457 | | \$16,469.83 |
| Total Hard Costs | | \$3,261,027 | | \$181,168.17 |
| Soft Costs | | | | |
| Accounting Fees | | \$0 | | \$0 |
| Appraisal | | \$0 | | \$0 |
| Architect's Fee - Design | | \$52,000 | | \$2,888.89 |
| Architect's Fee - Supervision | | \$2,000 | | \$111.11 |
| Landscape Architect/Land Planner | | \$15,000 | | \$833.33 |
| Builder's Risk Insurance | | \$23,000 | | \$1,277.78 |
| Liability Insurance | | \$23,000 | | \$1,277.78 |
| Legal Fees - Owner | | \$0 | | \$0 |
| Market Study | | \$0 | | \$0 |
| Geotech | | \$16,200 | | \$900 |
| Permitting | | \$41,400 | | \$2,300 |
| Water Meters | | \$57,600 | | \$3,200 |
| Marketing | | \$0 | | \$0 |
| Survey | | \$30,150 | | \$1,449.17 |
| Title Insurance/Closing Costs | | \$500 | | \$27.78 |
| Soft Cost Contingency | 10% | \$26,085 | | \$1449.17 |
| Total Soft Costs | | \$286,935 | | \$15,940.83 |
| | | | | \$0 |
| Financial Costs | | | | \$0 |
| | | | | \$0 |
| Total Financial Costs | | \$0 | | \$0 |
| | | | | \$0 |
| Other Development Costs | | | | \$0 |
| Developer Fee | 7% | \$248,413 | | \$13,800.74 |
| Lease Up Reserve | 1 mo | \$10,826 | | \$601 |
| Operating Deficit Reserve | 12 mo | N/A | | \$0 |
| Debt Service Reserves | 6 mo | N/A | | \$0 |

| | | | | |
|-------------------------------|--|-------------|--|-----------|
| | | | | \$0 |
| Total Other Development Costs | | \$259,239 | | \$14,202 |
| Total Development Cost | | \$3,807,201 | | \$211,511 |

ASSUMPTIONS

OPERATING PRO FORMA

| | |
|------------------------|---------|
| Rental Income Growth | 2.00% |
| Other Income Growth | 2.00% |
| Expense Growth | 3.00% |
| Total Economic Vacancy | 5.00% |
| Replacement Reserves | \$300 |
| Management Fee | \$2,000 |
| Debt Coverage Ratio | N/A |

CONSTRUCTION FINANCING

| | <u>Lender</u> | <u>Amount</u> | <u>Rate</u> | <u>Amortization</u> | <u>Term</u> |
|-------------|---------------|---------------|-------------|---------------------|-------------|
| IST Funding | \$3,973,000 | | 0.00% | n/a | |

PERMANENT FINANCING

| | <u>Lender</u> | <u>Amount</u> | <u>Rate</u> | <u>Amortization</u> | <u>Term</u> |
|-------------|---------------|---------------|-------------|---------------------|-------------|
| IST Funding | \$3,973,000 | \$0 | 0.00% | 0 | 0 |

DEVELOPMENT BUDGET

| | |
|---------------------------|------|
| Developer Fee | 7% |
| Lease Up Reserve | 1 mo |
| Operating Deficit Reserve | N/A |
| Debt Service Reserves | N/A |
| General Contractor Fees | 14% |
| Hard Cost Contingency | 10% |
| Soft Cost Contingency* | 10% |

* Impact Fees not included in development Soft Cost as intent of Project to apply for affordable housing waivers though Impact Fee Affordable Housing Assistance Program (IFAHAP)

EXHIBIT H
RENT STRUCTURE AND OPERATIONAL PRO FORMA

| UNIT MIX & RENT SCHEDULE (Info from Rent Matrix) | | | | | | | | | |
|--|------|------------|------------|-----------|----------|-----------|-----------|---------|----------|
| Bed | Bath | Type | # of Units | Avg Unit | % Median | Max Gross | Utility | Max Net | Rent |
| | | | | Size (SF) | Income | Rents | Allowance | Rents | Per S.F. |
| 2 | 1 | Affordable | 6 | 981 | 30% | \$598 | \$0 | \$598 | \$0.61 |
| 2 | 2 | Affordable | 6 | 1,018 | | | | | \$0.58 |
| 3 | 2 | Affordable | 5 | 1,200 | 30% | \$730 | \$0 | \$730 | \$0.61 |

17 units

| | | Annual | Per Unit |
|---|--|-----------|----------|
| Revenue | | | |
| Gross Potential Rent | | \$129,912 | \$7,642 |
| Other Income | | \$3,400 | \$200 |
| Total Income | | \$133,312 | \$7,842 |
| Vacancy | 4% | -\$5,332 | (\$314) |
| Concessions/Loss to Lease | 0% | \$0 | \$0 |
| Collection Losses | 1% | -\$1,333 | (\$78) |
| Total Effective Gross Income (EGI) | | \$126,646 | \$7,450 |
| | | | |
| Expenses | | | |
| Administrative | | \$6,800 | \$400 |
| Marketing and Promotions | | \$100 | \$6 |
| Grounds Maintenance | | \$12,240 | \$720 |
| Repairs and Maintenance | | \$17,000 | \$1,000 |
| Utilities | | \$8,500 | \$500 |
| Management Fee | | \$24,000 | \$1,412 |
| Insurance | | \$25,500 | \$1,500 |
| Pest Control | | \$16,320 | \$960 |
| Taxes | | \$0 | \$0 |
| Monitoring Fee | | \$0 | \$0 |
| Reserves | | \$0 | \$0 |
| Total Operating Expenses | | \$110,460 | \$6,498 |
| <input type="checkbox"/> Per Unit Over- | if Checked ignore "Operating Budget Detail Sheet | \$0 | \$0 |
| | | | |
| Net Operating Income | | \$16,186 | \$337 |
| | | | |
| Debt Service Payments | | | |
| First Mortgage | | \$0 | \$0 |
| Second Mortgage | | | |
| Third Mortgage | | | |
| Total Debt Service Payments | | \$0 | \$0 |
| Cash Flow After Debt Service | | \$16,186 | \$952 |

| | |
|-------------------------|-----|
| | |
| Financial Ratios | |
| Operating Expense Ratio | 87% |
| Break-even Ratio | 83% |

Laurel Oak Cottages
15 Year Proforma

| DESCRIPTION | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 |
|------------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Income | | | | | | | | | | | | | | | | |
| Gross Potential Rent | 2.00% | \$129,912 | \$132,510 | \$135,160 | \$137,864 | \$140,621 | \$143,433 | \$146,302 | \$149,228 | \$152,213 | \$155,257 | \$158,362 | \$161,529 | \$164,760 | \$168,055 | \$171,416 |
| Subsidy - Tenant Based | | \$0 | | | | | | | | | | | | | | |
| Operating Subsidy | | \$0 | | | | | | | | | | | | | | |
| TBRA Subsidy | | \$0 | | | | | | | | | | | | | | |
| Other Income | | \$3,400 | \$3,468 | \$3,537 | \$3,608 | \$3,680 | \$3,754 | \$3,829 | \$3,906 | \$3,984 | \$4,063 | \$4,145 | \$4,227 | \$4,312 | \$4,398 | \$4,486 |
| Gross Potential Income | | \$133,312 | \$135,978 | \$138,698 | \$141,472 | \$144,301 | \$147,187 | \$150,131 | \$153,134 | \$156,196 | \$159,320 | \$162,507 | \$165,757 | \$169,072 | \$172,453 | \$175,902 |
| Less: | | | | | | | | | | | | | | | | |
| Vacancy | 4.00% | \$5,332 | \$5,439 | \$5,548 | \$5,659 | \$5,772 | \$5,887 | \$6,005 | \$6,125 | \$6,248 | \$6,373 | \$6,500 | \$6,630 | \$6,763 | \$6,898 | \$7,036 |
| Concessions/Loss to Lease | 0.00% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Collection Losses: | 1.00% | \$1,333 | \$1,360 | \$1,387 | \$1,415 | \$1,443 | \$1,472 | \$1,501 | \$1,531 | \$1,562 | \$1,593 | \$1,625 | \$1,658 | \$1,691 | \$1,725 | \$1,759 |
| Total Effective Gross Income | | \$126,646 | \$129,179 | \$131,763 | \$134,398 | \$137,086 | \$139,828 | \$142,624 | \$145,477 | \$148,386 | \$151,354 | \$154,381 | \$157,469 | \$160,618 | \$163,831 | \$167,107 |
| | | | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% | 102% |
| Expenses | | 3.00% | | | | | | | | | | | | | | |
| Administrative | | \$6,800 | \$7,004 | \$7,214 | \$7,431 | \$7,653 | \$7,883 | \$8,120 | \$8,363 | \$8,614 | \$8,872 | \$9,139 | \$9,413 | \$9,695 | \$9,986 | \$10,286 |
| Marketing and Promotions | | \$100 | \$103 | \$106 | \$109 | \$113 | \$116 | \$119 | \$123 | \$127 | \$130 | \$134 | \$138 | \$143 | \$147 | \$151 |
| Grounds Maintenance | | \$12,240 | \$12,607 | \$12,985 | \$13,375 | \$13,776 | \$14,190 | \$14,615 | \$15,054 | \$15,505 | \$15,970 | \$16,450 | \$16,943 | \$17,451 | \$17,975 | \$18,514 |
| Repairs and Maintenance | | \$17,000 | \$17,510 | \$18,035 | \$18,576 | \$19,134 | \$19,708 | \$20,299 | \$20,908 | \$21,535 | \$22,181 | \$22,847 | \$23,532 | \$24,238 | \$24,965 | \$25,714 |
| Utilities | | \$8,500 | \$8,755 | \$9,018 | \$9,288 | \$9,567 | \$9,854 | \$10,149 | \$10,454 | \$10,768 | \$11,091 | \$11,423 | \$11,766 | \$12,119 | \$12,483 | \$12,857 |
| Management Fee | | \$24,000 | \$24,720 | \$25,462 | \$26,225 | \$27,012 | \$27,823 | \$28,657 | \$29,517 | \$30,402 | \$31,315 | \$32,254 | \$33,222 | \$34,218 | \$35,245 | \$36,302 |
| Insurance | | \$25,500 | \$26,265 | \$27,053 | \$27,865 | \$28,700 | \$29,561 | \$30,448 | \$31,362 | \$32,303 | \$33,272 | \$34,270 | \$35,298 | \$36,357 | \$37,448 | \$38,571 |
| Pest Control | | \$16,320 | \$16,810 | \$17,314 | \$17,833 | \$18,368 | \$18,919 | \$19,487 | \$20,072 | \$20,674 | \$21,294 | \$21,933 | \$22,591 | \$23,268 | \$23,966 | \$24,685 |
| Monitoring Fee | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserves | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | \$6,498 | \$110,460 | \$113,774 | \$117,187 | \$120,703 | \$124,324 | \$128,053 | \$131,895 | \$135,852 | \$139,927 | \$144,125 | \$148,449 | \$152,902 | \$157,490 | \$162,214 | \$167,081 |
| | | | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% | 103% |
| Net Operating Income | | \$16,186 | \$15,406 | \$14,576 | \$13,696 | \$12,762 | \$11,774 | \$10,729 | \$9,625 | \$8,459 | \$7,229 | \$5,932 | \$4,566 | \$3,129 | \$1,616 | \$27 |
| | | | 95% | 95% | 94% | 93% | 92% | 91% | 90% | 88% | 85% | 82% | 77% | 69% | 52% | 2% |
| Debt Service Payments | | | | | | | | | | | | | | | | |
| First Mortgage | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Second Mortgage | | | | | | | | | | | | | | | | |
| Third Mortgage | | | | | | | | | | | | | | | | |
| Fourth Mortgage - Type | | | | | | | | | | | | | | | | |
| Other - Sinking Fund | | | | | | | | | | | | | \$0 | \$0 | \$0 | \$0 |

| | | | | | | | | | | | | | | | |
|-----------------------------|----------|----------|----------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|------|
| Total Debt Service Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Before Tax Cash Flow | \$16,186 | \$15,406 | \$14,576 | \$13,696 | \$12,762 | \$11,774 | \$10,729 | \$9,625 | \$8,459 | \$7,229 | \$5,932 | \$4,566 | \$3,129 | \$1,616 | \$27 |
| | | 95% | 95% | 94% | 93% | 92% | 91% | 90% | 88% | 85% | 82% | 77% | 69% | 52% | 2% |

| | | | | | | | | | | | | | | | |
|-------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| Financial Ratios | | | | | | | | | | | | | | | |
| Operating Expense Ratio | 87% | 88% | 89% | 90% | 91% | 92% | 92% | 93% | 94% | 95% | 96% | 97% | 98% | 99% | 100% |
| Break-even Ratio | 83% | 84% | 84% | 85% | 86% | 87% | 88% | 89% | 90% | 90% | 91% | 92% | 93% | 94% | 95% |

**EXHIBIT I
COUNTY DEED**

PREPARED BY AND RETURN TO:

PALM BEACH COUNTY
PROPERTY & REAL ESTATE MANAGEMENT DIVISION
2633 Vista Parkway
West Palm Beach, FL 33411-5605

PCN: _____
Closing Date: _____
Purchase Price: _____

COUNTY DEED

This COUNTY DEED is made _____, 20__ by **PALM BEACH COUNTY**, a political subdivision of the State of Florida, by and through its Board of County Commissioners, whose legal mailing address is 2633 Vista Parkway, West Palm Beach, Florida 33411-5605, "County", and **West Palm Beach Housing Authority**, a public body corporate and politic created under Section 421 of the Florida Statutes, ("Grantee") whose legal mailing address is 3700 Georgia Avenue West Palm Beach, FL 33405.

W I T N E S S E T H:

That County, for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) to it in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to Grantee, its successors and assigns forever, the following described land lying and being in Palm Beach County, Florida:

See **Attachment "1"** attached hereto and made a part hereof
(the "Property").

This conveyance is made upon the express condition that the Property may only be used, operated and maintained by a governmental entity for the sole purpose of providing housing to eligible low, very low and extremely low income residents.

The foregoing restriction shall constitute a covenant running with the land, and shall be enforceable against Grantee, its legal representatives, successors and assigns. In the event that the Property is used for any purpose which is inconsistent with the foregoing restrictive covenant, the Property shall revert to County.

IN WITNESS WHEREOF, County has caused these presents to be executed in its name by its Board of County Commissioners acting by the Mayor or Vice Mayor of said Board, the day and year aforesaid.

ATTEST:

CLERK & COMPTROLLER

**PALM BEACH COUNTY, a political
subdivision of the State of Florida**

By: _____
Deputy Clerk

By: _____
, Mayor

LEGAL SUFFICIENCY
(OFFICIAL SEAL)

By: _____
Assistant County Attorney

Attachment "1" to County Deed

Lots 7 through 16, Block 2, Greenland Plat No. 1, Less the East 3 Feet of Lots 8 through 15, Inclusive, According to the Plat Thereof On File in the Office of the Clerk of the Circuit Court In and For Palm Beach County, Florida, Plat Book 4, Page 3.

Together With:

Lots 1 through 11, Less the East 3 Feet of Lots 8 through 11, Inclusive, Block 1, Greenland Plat No. 1, According to the Plat Thereof On File in the Office of the Clerk of the Circuit Court In and For Palm Beach County, Florida, Plat Book 4, Page 3.

EXHIBIT J
CONCEPTUAL FRAMEWORK FOR WRAP AROUND SERVICES

I. Program Objective

The Palm Beach County's Community Services Department (CSD) will be responsible for securing and managing the provision of case management and wrap-around services (the "Program") to the families to be placed in the Cottage Homes. The Program objective will be to assist each family in residence to resolve their housing instability, increase their ability to self-sustain in the private market, build career pathways that will increase access to stability and provide access to services including, but not limited to federal benefits, family behavioral health and wellness, case management, access to health care and financial literacy.

II. Program Participants

The Cottage Homes will house up to seventeen (17) homeless families, including male and/or female heads of household and their children (0-17 years of age). Maximum stay at the Cottage Homes for each family will be capped at twenty-four (24) months. All families will be vetted through Coordinated Entry, taken from the established acuity list and referred to the Cottage Homes housing project by the Coordinated Entry Agencies, which may include Adopt-A-Family, the case management/wrap-around services Provider (the "Provider") and Palm Beach County's Human and Veteran Services Division of DCS. Family size will be limited to the number of bedrooms in each unit as there can be no more than two heartbeats per bedroom.

III. Base Services Included

CSD will retain the services of a Provider which will be required to:

- a) Attend and become a member of the **Continuum of Care, Homeless and Housing Alliance for Palm Beach County** and agree to comply with the Standards set by the Continuum of Care;
- b) Work with the **Housing Specialists** at Palm Beach County Human and Veteran Services, or Gulfstream Goodwill Industries in an effort to locate suitable permanent affordable housing for families prior to exiting the Cottage Homes (upon approaching the 24-months cap);
- c) Work closely with a designated officer of the Authority on a transition plan for each tenant;

- d) Provide notification to the Authority 15 days in advance, if a tenant no longer qualifies for rent subsidies under the Program so the Authority can issue the required eviction notice to the tenant and the Authority can begin eviction proceedings; and
- e) Work with the Homeless Liaison at the **Palm Beach County School District** to secure tutoring and additional assistance for school age children.

The services contract with the Provider will include a logic and outcome model, with specific reporting guidelines.

Minimum services to be captured in the Provider's contractual scope of work will include:

- a. Homeless Management Information System (HMIS) – the Provider will be required to enter families into HMIS and update status on a regular basis.
- b. Weekly Case Management - using a strength-based approach, housing focused and client-centered. The goal of case management is to empower the families, draw on their own strengths and capabilities, and promote an improved quality of life through education, access to community services and housing stability in the private market. The Provider shall maintain records for each program participant documenting the services and assistance provided to the participant, including case notes documenting services and assistance. Case files shall include service plans, CMIS entry and documentation of homelessness.
- c. Rent Payment Calculation & Allocation –
 - i. Income Determination - the Provider will determine the participant's Adjusted Gross Income, thirty percent (30%) of which will be set aside for rent payments once the participant is assigned a unit at the Cottage Homes.
 - ii. Self-sufficiency funds - the Provider will create and manage self-sufficiency funds for each participant. The self-sufficiency funds will help to assist participant's transitioning to permanent housing. The County will determine if the self-sufficiency funds will be held by the County or the Provider.
 - iii. Subsidy Determination – the Provider will evaluate the need for, and assign to each participant as required (subject to VII. Financial Support/Subsidies, below), the corresponding subsidy necessary to ensure that the participant's month rent obligation to occupy a unit in the Cottage Homes is fulfilled.

- iv. Monthly Rent Collection – the Provider will be responsible for collecting monthly rent payments from the participants.
- v. Monthly Rent Allocation – the Provider will issue, on behalf of each participant, rent payments to the Housing Authority. When applicable, the Provider will allocate excess funds to the corresponding self-sufficiency accounts.
- d. Financial Literacy Classes - each participant will be referred to attend financial literacy classes, which can be accessed at no charge through the UF Cooperative Exchange Services. In general, graduation from a financial literacy program, is extremely beneficial to families who will obtain private market rate housing within 24 months.
- e. Employment Training and Career Counseling – the Provider will coordinate training/counseling based upon the needs of each family. The goal of employment training and career counseling is for each family to secure enough income to sustain housing in the private market.

Ancillary services that the Provider may offer include:

- f. Parenting Classes
- g. Family, Individual and Youth Counseling
- h. Life Skills
- i. Support Groups and / or a resident council
- j. Mentoring
- k. Support Groups for children
- l. Donations for the families moving out of the Cottage Homes including, but not limited to: furniture, household items and clothing.

IV. Financial Support/Subsidies

Through the Provider, and subject to annual appropriations by the Palm Beach County Board of County Commissioners, the following subsidies will be available to the participants, subject to qualification:

- a. Monthly rental subsidies
- b. One month of rent for Security Deposit on each unit
- c. Utility subsidies

d. Furniture Vouchers

**EXHIBIT K
AUTHORITY'S STEP 2 PROPOSAL**



**West Palm Beach
Housing Authority**

3700 Georgia Avenue · West Palm Beach, FL 33405 · Phone (561) 655-8530 Fax (561) 832-8962

July 30, 2020

Board of County Commissioners
c/o Eric McClellan, Director FDO Strategies
2633 Vista Parkway
West Palm Beach, FL 33411-56-5

**Re: Response of the West Palm Beach Housing Authority
RFP-No 2019-001-EM
Step 2**

Dear Mr. McClellan:

The West Palm Beach Housing Authority is pleased to submit our Step 2 Proposal in response to RFP No. 2019-001-EM for the proposed project, Laurel Oak Cottages. The WPBHA is excited to submit additional detail and information concerning our project concept for this important initiative to provide transitional housing for homeless in Palm Beach County.

As you will see from our submission, the proposed project will feature and show case the small lot form of housing development with charming cottages in the Florida Vernacular style. We are confident the project as proposed will fulfill the County's goal desire to demonstrate a meaningful workforce housing solution throughout Palm Beach County that can be replicated for future projects

Sincerely,


Linda Odum

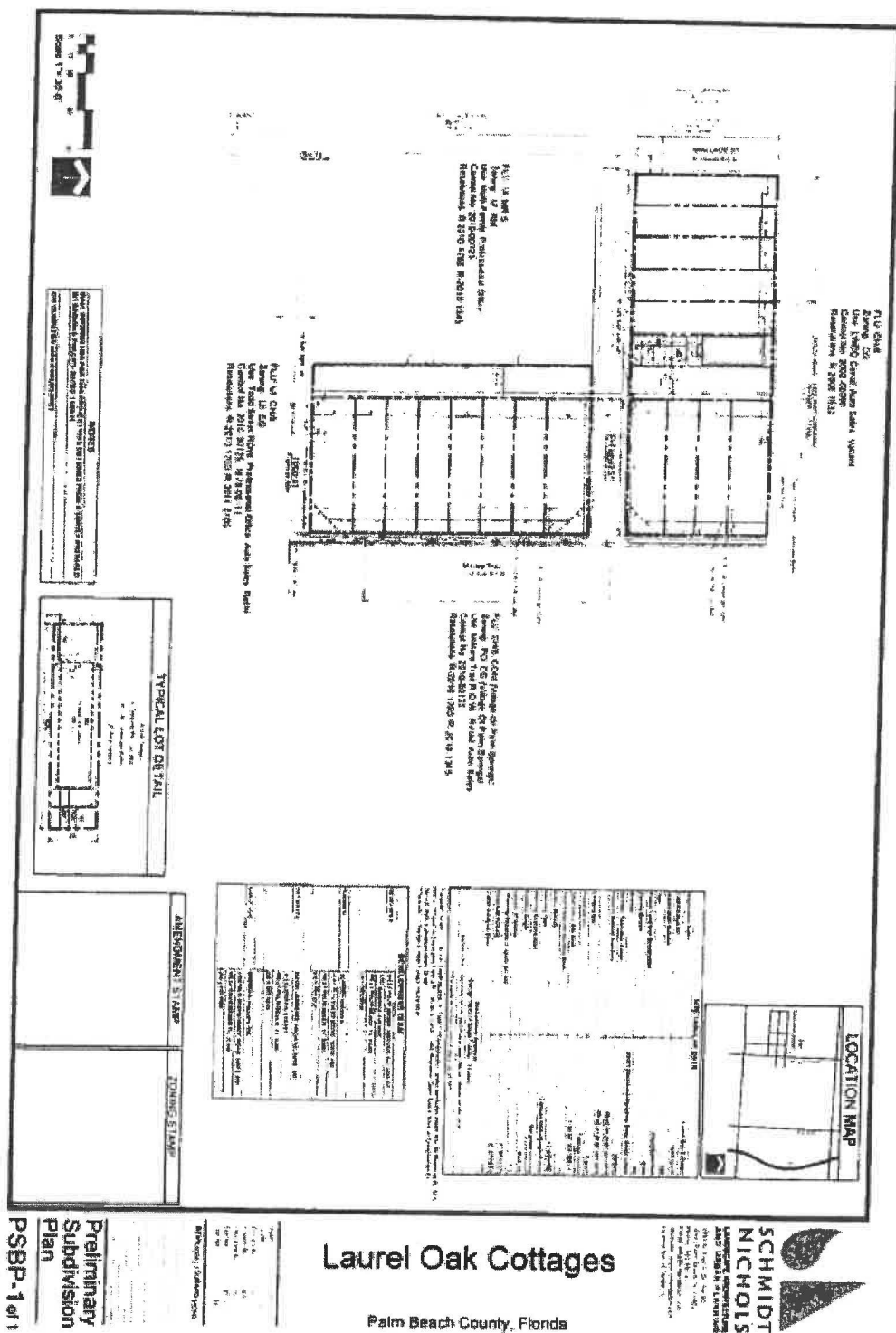
Interim Executive Director

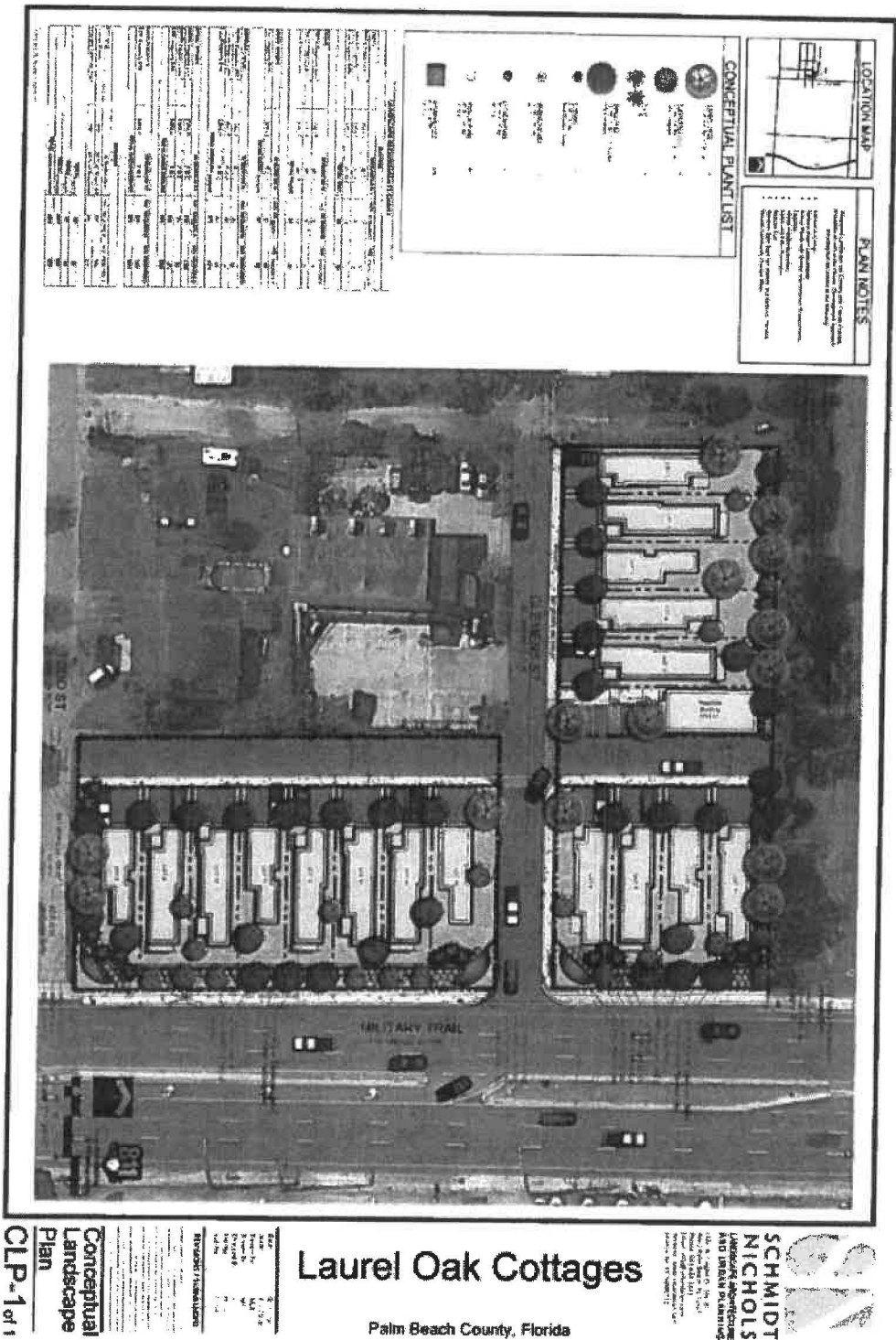
STEP 2 PROPOSAL OF THE WEST PALM BEACH HOUSING AUTHORITY

TABLE OF CONTENTS

- 1. PROJECT DEVELOPMENT: CONCEPTUAL SITE AND
LANDSCAPE PLANS WITH NARRATIVE'**
 - 2. PROJECT DEVELOPMENT: CONCEPTUAL FLOOR PLANS AND
ELEVATIONS WITH NARRATIVE**
 - 3. PROJECT DELIVERY: DEVELOPMENT PRO FORMA**
 - 4. PROJECT DELIVERY: ESTIMATE OF PROBABLE COST OF
DAVID LAWRENCE ARCHITECTURE, INC.**
- S. ADDENDUM 3 & STEP 1 SUPPLEMENT INFORMATION**

¹ Site and Landscape Plan Sheets at a scale of +/-1":20' are submitted with this binder.







**Project Narrative
Laurel Oak Cottages
Palm Beach County (PBC) RFP Submittal
Original Submittal: July 29, 2020**

Introduction

Schmidt Nichols ("Agent"), on behalf of the West Palm Beach Housing Authority ("WPBHA"), respectfully requests consideration of this proposal for 17 single-family cottage home lots for the project known as Laurel Oak Cottages. The 1.36-acre subject site (PCN: 00-42-44-24-07-001-0010, 00-42-44-24-07-002-0070) located on the northwest corner of Todd Street and Military Trail in unincorporated Palm Beach County, Florida ("subject property") is proposed to be developed to preserve the lot configuration of the existing plat (Plat Book 4, Page 3) per the Request for Proposal (RFP) request. Site access for each lot is proposed via individual driveway connections to Clemens Street and via the proposed 20' access easements. The proposed development will also contain a community neighborhood center on one lot for the use of the residents as a supportive site improvement, which will create cohesion of residential structures and will be located centrally on the site. The remaining three lots will be utilized for unit access and roadway.

Site/Subdivision Plan:

The site layout will be as follows:

- 8 cottage homes facing west on Lots 8 through 15, Block 2, Greenland Plat No. 1
- 5 cottage homes facing south on Lots 1 through 5, Greenland Plat No. 1
- 4 cottage homes facing west on Lots 8 through 11, Block 1, Greenland Plat No. 1
- Community Center will be placed on Block 1, Lot 6 of the Greenland Plat as a central location for all homes and will contain a community garden
- The remaining lots (Lot 7 and 16, Block 2, Greenland Plat No. 1 and Lot 7, Block 1, Greenland Plat No. 1) will be utilized for access and roadway

Currently, the subject property supports a Future Land Use Atlas designation of Commercial High with an underlying HR-8 (CH/8) and falls within the Urban/Suburban (U/S) Tier according to the Growth Management Tier System Maps outlined in the Comprehensive Plan Future Land Use Element. The subject property is within the Public Ownership (PO) zoning district. The subject property is also located in the Countywide Community Revitalization Team (CCRT Narcissus-Gardenia Area) Overlay, Revitalization Redevelopment and Infill Area Overlay (RRIO), and the Urban Redevelopment Area Overlay (URAO). In review of the Unified Land Development Code (ULDC), it should be noted the proposed use as Cottage Homes is not permitted in the PO zoning district, however, this has been discussed with the County and the County confirmed this is not an issue based on the application of the PO district intent.

The FLU allows for 8 dwelling units per acre, which yields 11 dwelling units in total, which exceeds the allowable density within the HR-8 FLU designation. The plat, however, indicates 21 total lots and the County has not required any density bonus/TDR purchase or land use change.

Below is a summary of surrounding properties:

| Adjacent Lands | FLU | Zoning | Uses |
|-----------------------------|------------------------|---------------------|--|
| Subject Property (Proposed) | CH/8 | PO | Cottage Home Lots |
| North | CH/8 | CG | LWDD Canal, Auto Sales, Vacant |
| South | UI, CH/8 | UI, CG | Todd Street ROW, Professional Office, Auto Sales, Retail |
| East | CH/8 (PBC), COM (VOPS) | PO (PBC), CG (VOPS) | Military Trail R.O.W., Retail, Auto Sales |
| West | UI, MR-5 | UI, RM | Multifamily |

Conceptual Landscape Plan:

The landscape plan and subdivision plan that have been provided are in compliance with provisions #1-7 and #18-23 to Exhibit F for the RFP minimum project requirements. A mailbox will be internal to the community center to service the entire site. The Proposed Conceptual Landscape Plan utilizes and incorporates Florida Friendly Landscape principles, which reduce water usages and energy consumption. A combination of low-maintenance plant species along with native plant species will attract wildlife including butterflies. Sod will be minimized in small areas or in shaded spaces where it is unlikely to thrive. These areas shall receive a combination of mulch and groundcover and will further help reduce water consumption. Tree species will be carefully selected so mature growth does not negatively affect the proposed homes or the existing/proposed utilities (including the FPL lines along Military Trail). Community garden plots located at the Community Center provide residents access to fresh food while strengthening community and increasing well-being.

On behalf of the property owners, Palm Beach County, Schmidt Nichols respectfully request your approval of this application to allow for a proposed subdivision plan providing 17 single-family cottage home lots.

LAUREL OAK COTTAGES



STREETSCAPE

LAUREL OAK COTTAGES



2 BEDROOM / 1 BATH

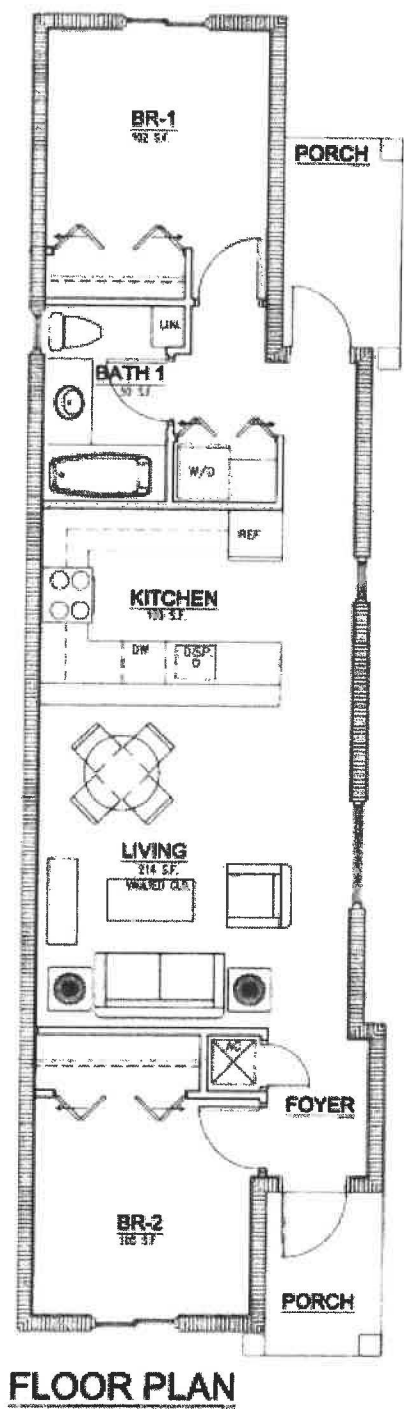
TYPE 1

LAUREL OAK COTTAGES

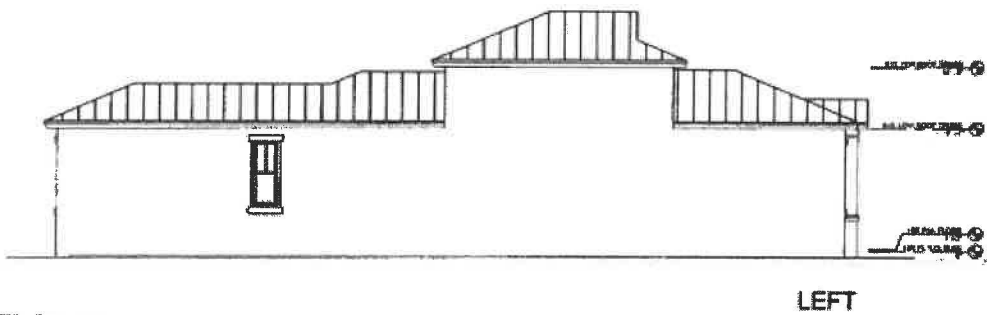
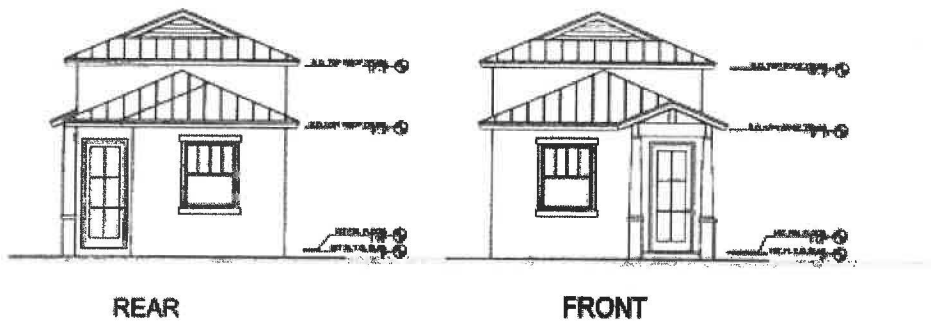
| | |
|------------------------|-----|
| SQUARE FOOTAGE SUMMARY | |
| CONDITIONED AREA 887 | |
| PORCHES | 94 |
| TOTAL | 981 |



TYPE 1
TWO BEDROOM
ONE BATH



LAUREL OAK COTTAGES



TYPE 1
TWO BEDROOM
ONE BATH

ELEVATIONS

LAUREL OAK COTTAGES



2 BEDROOM / 2 BATH

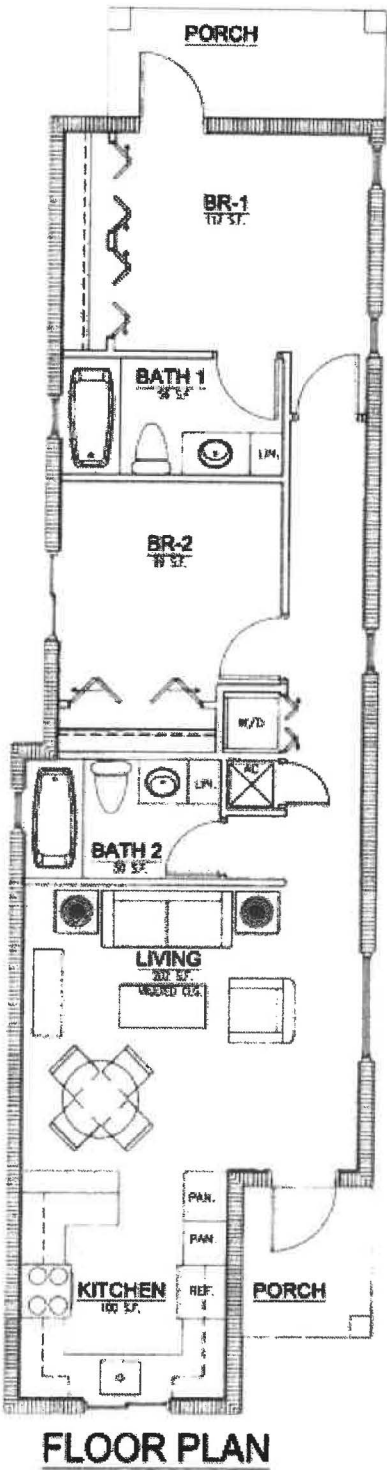
TYPE 2

LAUREL OAK COTTAGES

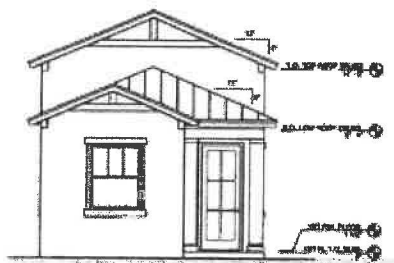
| SQUARE FOOTAGE SUMMARY | |
|------------------------|------|
| CONDITIONED AREA | 913 |
| PORCHES | 105 |
| TOTAL | 1018 |



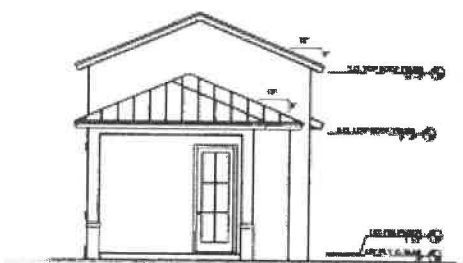
TYPE 2
TWO BEDROOM
TWO BATH



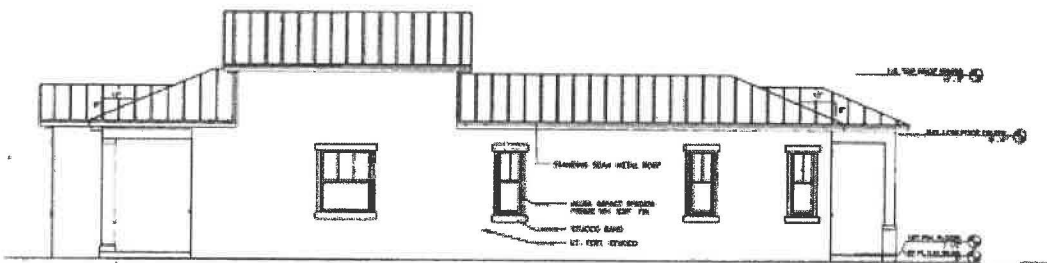
LAUREL OAK COTTAGES



FRONT



REAR



RIGHT



LEFT

TYPE 2
TWO BEDROOM
TWO BATH

ELEVATIONS

LAUREL OAK COTTAGES

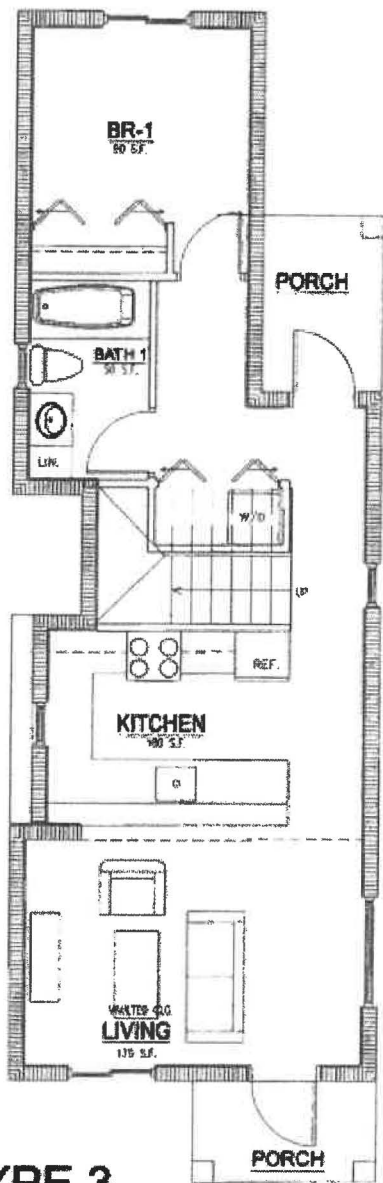


3 BEDROOM / 2 BATH

TYPE 3

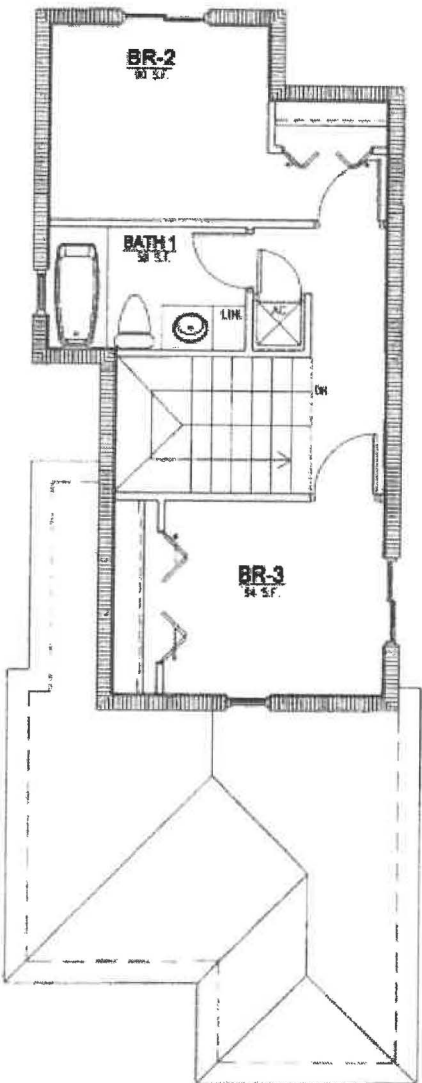
LAUREL OAK COTTAGES

| SQUARE FOOTAGE SUMMARY | |
|------------------------|------|
| FIRST FLOOR | 715 |
| SECOND FLOOR | 420 |
| CONDITIONED | 1146 |
| PORCH | 55 |
| TOTAL | 1200 |



TYPE 3
THREE BEDROOM
TWO BATH

FIRST FLOOR

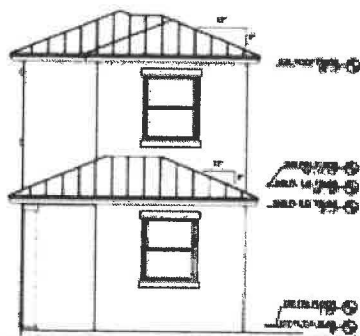


SECOND FLOOR

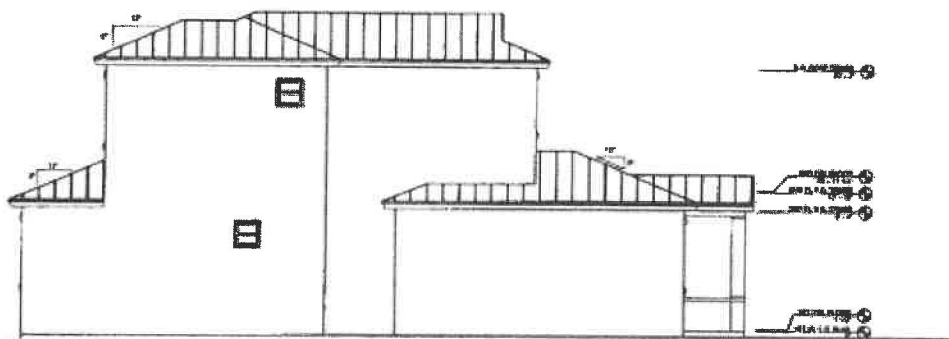
LAUREL OAK COTTAGES



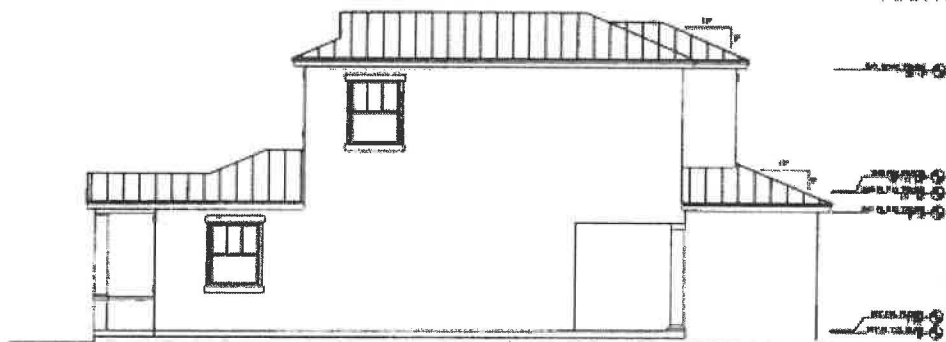
FRONT



REAR



RIGHT



LEFT

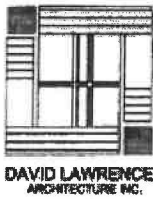
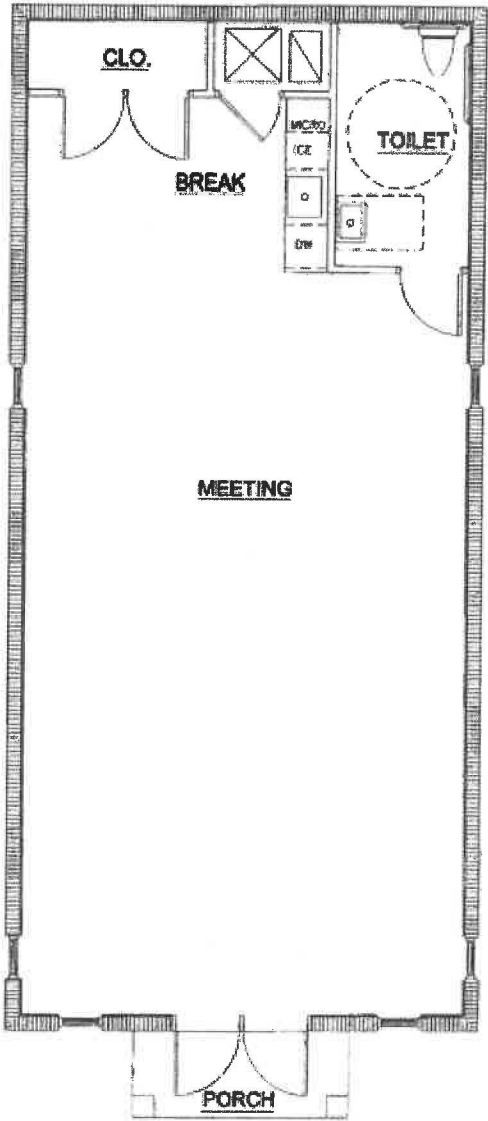
TYPE 3

**THREE BEDROOM
TWO BATH**

ELEVATIONS

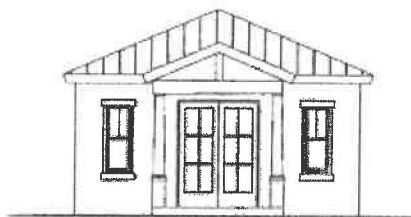
LAUREL OAK COTTAGES

| SQUARE FOOTAGE SUMMARY | |
|------------------------|------|
| FLOOR | 1042 |
| PORCH | 40 |
| TOTAL | 1182 |

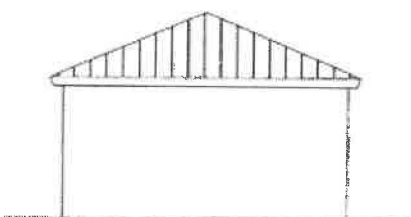


COMMUNITY CENTER

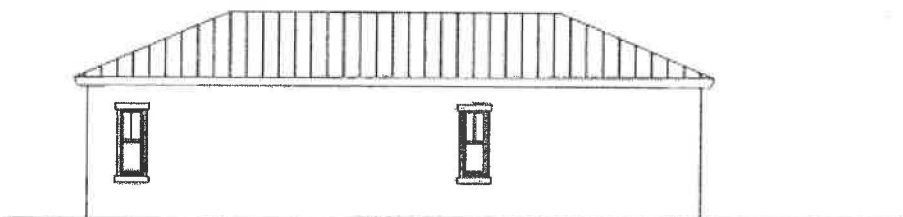
LAUREL OAK COTTAGES



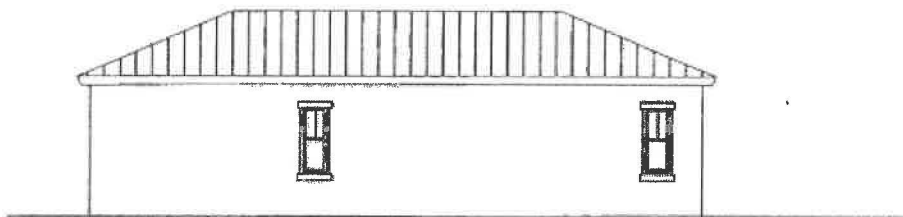
SOUTH



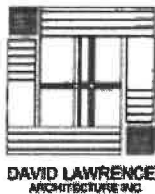
NORTH



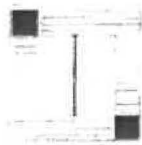
EAST



WEST



COMMUNITY CENTER



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License number AR 0016260 C.O.A. AA26001334
e-mail dli@dliarchitect.com

Date: July 29, 2020

**Project Narrative for Laurel Oak Cottages
Palm beach County RFP 2019-001-EM**

Introduction:

David Lawrence Architecture is the architect for the Team including the West Palm Beach Housing Authority and Schmidt Nichols. The Unit mix is as follows:

| Unit Type/Story | Bedrooms/Baths | Number of Units | Gross S.F. /Unit |
|---------------------|--------------------|-----------------|------------------|
| 1 / 1 Story | 2 Bedrooms/1 Bath | 6 | 981 |
| 2 / 1 Story | 2 Bedrooms/2 Baths | 6 | 1018 |
| 3 / 2 Stories | 3 Bedrooms/2 Baths | 5 | 1200 |
| Community Center/ 1 | Meeting Rm/1 Bath | 1 | 1082 |

The units are designed to fit within the land development setbacks as set out in the site plan prepared by Schmidt Nichols. The three unique unit types are varied on the site to offer a pleasing streetscape.

Aesthetic Considerations:

Architectural Style:

Given the narrowness and size of the houses, the craftsman style was a logical choice for the project. All the units have front porches to harken back to the times of the front porch society. The style of the buildings is intended to be comforting and approachable. The roof lines are a mixture of hips, gable, and clipped hip roofs to offer variety, visual interest, and a strong identity.

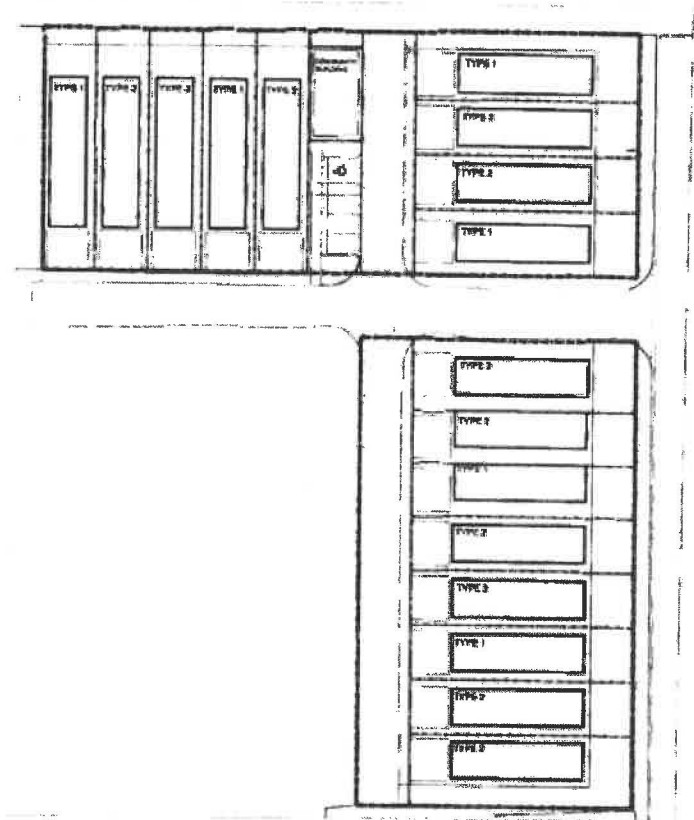
Design features and Materials:

The units have been designed with high ceilings and each great room has either a vault or beamed plate. All the units have these elevated ceilings in the great room area, so the features are evenly distributed among each unit types. All the units also have a front and back porch. The back porch is intended to allow for residents to enjoy the back yard.

The buildings are stucco and concrete block (CBS) structures for durability and ease of maintenance. A metal roof was chosen for its pleasing aesthetic qualities of longevity and durability to reference the old tin roofs. The windows will be impact rated energy efficient windows with painted aluminum frames in a white finish. The muntin patterns follow the craftsman style. There are painted wood beams to set off the gable features as well as siding in the clipped hip roofs to give the project detail. The exterior doors are French doors to let in light and offer pleasing aesthetics. All glazing will be Hurricane Impact Resistant.

Site unit distribution

The site unit distribution is shown on the unit mix diagram below. The layouts are versatile in that they can accommodate families or unrelated persons. The bathrooms are not within the bedrooms so will be easier to share the bathroom. One two-bedroom unit design has the bedrooms farther apart for privacy. All of the housing unit types are capable for reuse for workforce housing projects elsewhere in Palm Beach County, subject to site adaptation cost only.



UNIT MIX DIAGRAM

Unit Features:

All units will be equipped with the following:

- Central HVAC (Min. 14 SEER rating manufacture to be Carrier, Trane or approved equal)
- Tank type electric water heater (manufactured by Rheem, Ruud Stat or A.O. Smith or approved equal)
- Clothes washer and dryer
- Full size refrigerator with freezer
- Range and oven with smooth top surface
- Sink with disposal
- Porcelain water and wastewater fixtures (Manufacturer American Standard, Bradley, Kohler, Moen, Toto, Zurn or approved equal)
- All electrical equipment shall be energy star certified
- All lighting shall be globed or have a housing to offer a finished appearance
- Standard Wiring with switches and outlets in all rooms
- Conventional telephone wiring in Living/ Greal room and bedrooms
- Conventional Cable in the living room and bedroom
- Hardwood cabinetry with Granite countertops
- Vinyl plank flooring
- All spaces meet or exceed the minimum square footage requirements for rooms in the RFP
- All appliances to be stainless steel with Energy Star Rating

To conclude, the designs meet or exceed the requirements of Palm Beach County RFP 2019-001-EM

| PROPERTY SUMMARY | | | |
|--|---------------------------------------|---------------------------|------------------------------|
| Project Name: | Lateral Oak Collings | Legal Entry Type: | Government Entry |
| Location: | | Joint Venture Partner: | |
| County: | Palm Beach | Partner Type: | no partner |
| Apartments Units: | 17 | Partner in Ownership: | Percent of ownership equity: |
| Property Type: | single family | Ownership %: | |
| Construction Type: | new construction | Developer Fee Split (%): | % to partner |
| Year Bld: | 2001 | GP Cash Flow Split (%): | 0.0% |
| Light/C Tax Credits ? | <input type="checkbox"/> Yes/Overseas | Reversion Split (%): | % of GP to partner |
| DOABC? | <input type="checkbox"/> QCT ? | Fee for Service?: | 0.0% |
| Area Median HH: | 38 | Syndication: | NO |
| Unit Mix (% affordable self-contained) | 100.0% | Limited Partner Investor: | to be determined |
| Development Officer: | | Cash Flow to LP (%): | 0.0% |
| Asset Manager: | | Reversion to LP (%): | 0.0% |
| Run Date: | 10/06/2001 09:59 AM | | % to LP investor |
| Print Worksheet: | Initial creation | Reprint SF: | % to LP investor |

| UNIT MEASUREMENTS | | UNIT MEASUREMENTS | | UNIT MEASUREMENTS | | UNIT MEASUREMENTS | | UNIT MEASUREMENTS | |
|-------------------|-------|-------------------|------------|--------------------|----------------|-------------------|----------------|-------------------|---------------|
| Bed | Depth | Type | # of Units | Avg Unit Size (SF) | % Above Income | Max Gross Rent | Unit Allowance | Max Net Rent | Rent Per S.F. |
| 2 | 1 | Atypical | 8 | 261 | 20% | \$500 | 20 | \$650 | \$2.51 |
| 2 | 2 | Atypical | 4 | 1,016 | | | | | |
| 3 | 2 | Atypical | 5 | 1,200 | 20% | \$750 | 50 | \$750 | \$2.51 |

| | | | | | |
|-------------|----|-------|-------|-------|-------|
| TOTAL AVER. | 17 | 1.008 | 1.428 | 24.25 | 10.40 |
|-------------|----|-------|-------|-------|-------|

| OPERATING ASSUMPTIONS | | | | | |
|---------------------------|--------|--------|--------|--------|--------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Rental Income Growth | 2.00% | 2.50% | 2.00% | 2.00% | 2.00% |
| Rental Income Growth (PM) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Income Growth | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Expense Growth | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Vacancy | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Commissions/Fees to Lease | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% |
| Collection Losses | 1.20% | 1.00% | 1.00% | 1.00% | 1.00% |
| Total Economic Vacancy | 5.30% | 5.10% | 5.10% | 5.10% | 5.10% |
| Reinvestment Reserves* | \$300 | \$200 | \$900 | \$200 | \$200 |

| Category & Lease | Start Date | Comp. Date | # Months | Unit/ Mo (avg) |
|--------------------|------------|------------|----------|----------------|
| Construction Start | | | | |
| Unit Delivery | | | | |
| Unit Lease-L2b | | | | |

* Expenses listed in year 12 of funding for replacement factors listed as \$146,796 or project exception. Future reserve fund at \$300 per unit per year.

| CONSTRUCTION PURCHASING | Lender | Average | Rate | Amortization | Term | Daily Service |
|-------------------------|------------|-------------|-------|--------------|------|---------------|
| SST Proceeds | Cumulative | \$3,873,000 | 9.00% | | | \$0 \$0 |
| | | | | | | \$0 |
| Total | | \$3,873,000 | | | | \$0 |

| (PERMANENT FINANCING) | Lender | Amount | Rate | Amortization | Term | Debt Service |
|-------------------------------------|---------------|---------------|-------------|---------------------|-------------|---------------------|
| RFP Funding Grant | County | \$1,973,000 | 0.00% | 0 | 0 | \$0 |
| | | | | | | |
| Total | | | | | | \$0 |
| | | | | | | |
| Debt Service Coverage Ratio - First | | | | | | 8.00 |
| Debt Service Coverage Ratio - All | | | | | | 8.00 |

| SOURCES OF FUNDS | Lender | Permitted | Per Unit | % of Total | Contribution | Per Unit |
|------------------|--------|-------------|-----------|------------|--------------|-----------|
| ESP Funding | County | \$3,973,000 | \$233.706 | 100.0% | \$3,973,000 | \$233.706 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| | | \$0 | \$0 | 0.0% | \$0 | \$0 |
| TOTAL COSTS | | \$3,973,000 | \$233.706 | 100.0% | \$3,973,000 | \$233.706 |

| USES OF FUNDS | Permitted | Per Unit | % of Total | Construction | Per Unit |
|--------------------------------|--------------------|------------------|-------------|--------------------|------------------|
| Land & Acquisition Costs | \$0 | \$0 | 0.0% | \$0 | \$0 |
| Hard Costs | \$3,961,427 | \$191,425 | 82.1% | \$3,961,427 | \$191,425 |
| Soft Costs | \$205,233 | \$16,879 | 7.3% | \$205,233 | \$16,879 |
| Lease Up Reserve | \$10,920 | \$637 | 0.2% | \$10,920 | \$637 |
| Developer Fees | \$346,415 | \$14,818 | 8.2% | \$346,415 | \$14,818 |
| Reserve for Regulator's Estrow | \$163,798 | \$2,733 | 4.2% | \$163,798 | \$2,733 |
| TOTAL COSTS | \$4,587,793 | \$233,708 | 100% | \$4,587,793 | \$233,708 |

| STANDARD PRO FORMA | | Total | Per Unit | Monthly |
|-----------------------------------|-------|-----------|----------|----------|
| Cost of Sales | | \$77,341 | \$7,341 | \$10,856 |
| Other Income | | \$3,400 | \$250 | \$250 |
| Vacancy/Concession/Loss | -5.0% | (58,681) | (312) | (2833) |
| Office Expense Income | | \$152,840 | \$7,450 | \$10,554 |
| Operating Expenses (controllable) | | \$44,840 | \$2,408 | \$3,720 |
| Management Fee | 0.5% | \$26,000 | \$1,412 | \$2,000 |
| Insurance | | \$25,500 | \$1,500 | \$2,125 |
| Real Estate Taxes | | \$0 | \$0 | \$0 |
| Other | | \$0 | \$0 | \$0 |
| Reserves | | \$0 | \$0 | \$0 |
| Total Expenses | | \$118,000 | \$6,060 | \$8,200 |
| Net Operating Income | | \$16,540 | \$862 | \$1,200 |
| Cost Service | | \$0 | \$0 | \$0 |
| Cash Flow | | \$16,540 | \$862 | \$1,200 |

| | | | | |
|---|--------|-----------------------------------|--------------------|---------------------|
| Laurel Oak Cottages | | | | |
| 17 Single Family Homes, Detached | | | | |
| 1 Community Building | | | | |
| New Construction | | | | |
| 19,076 Total Square Footage | | | | |
| 17,582 A/C Square Footage | | | | |
| DEVELOPMENT COSTS | | | | |
| USES OF FUNDS | | Total | | Per Unit |
| Acquisition Costs | | | | |
| Building(s) | 0% | <input type="checkbox"/> Eligible | \$0 | \$0 |
| Land | N/A | | \$0 | \$0 |
| Total Acquisition Costs | | | \$0 | \$0 |
| Hard Costs | | | | |
| Building Costs | | | \$2,600,500 | \$144,472.22 |
| Subtotal | | | \$2,600,500 | |
| General Requirements, Profit and Overhead | 14% | | \$364,070 | \$20,226.11 |
| Subtotal | | | \$2,964,570 | |
| Hard Cost Contingency | 10% | | \$296,457 | \$16,469.83 |
| Total Hard Costs | | | \$3,261,027 | \$181,169.17 |
| Soft Costs | | | | |
| Accounting Fees | | | \$0 | \$0 |
| Appraisal | | | \$0 | \$0 |
| Architect/Engineer | | | \$52,000 | \$2,888.89 |
| Architect's Fee - Supervision | | | \$2,000 | \$111.11 |
| Landscape Architect/Land Planner | | | \$15,000 | \$833.33 |
| Builder's Risk Insurance | | | \$23,000 | \$1,277.78 |
| Liability Insurance | | | \$23,000 | \$1,277.78 |
| Legal Fees - Owner | | | \$0 | \$0 |
| Market Study | | | \$0 | \$0 |
| Geotech | | | \$16,200 | \$900 |
| Permitting | | | \$41,400 | \$2,300 |
| Water Meters | | | \$57,600 | \$3,200 |
| Marketing | | | \$0 | \$0 |
| Survey | | | \$30,150 | \$1,675 |
| Title Insurance/Closing Costs | | | \$500 | \$27.78 |
| Soft Cost Contingency | 10% | | \$26,085 | \$1,449.17 |
| Total Soft Costs | | | \$285,335 | \$15,940.83 |
| Financial Costs | | | \$0 | \$0 |
| Total Financial Costs | | | \$0 | \$0 |
| Other Development Costs | | | | |
| Developer Fee | 7% | | \$248,413 | \$13,800.74 |
| Lease Up Reserve | 1 mon. | | \$10,826 | \$601 |
| Operating Deficit Reserve | N/A | | \$0 | \$0 |
| Debt Service Reserves | N/A | | \$0 | \$0 |
| Total Other Development Costs | | | \$259,239 | \$14,402 |
| Total Development Cost | | | \$3,807,201 | \$211,511 |

ASSUMPTIONS

OPERATING PRO FORMA

| | |
|------------------------|---------|
| Rental Income Growth | 2.00% |
| Other Income Growth | 2.00% |
| Expense Growth | 3.00% |
| Total Economic Vacancy | 5.00% |
| Replacement Reserves | \$300 |
| Management Fee | \$2,000 |
| Debt Coverage Ratio | N/A |

CONSTRUCTION FINANCING

| | <u>Lender</u> | <u>Amount</u> | <u>Rate</u> | <u>Amortization</u> | <u>Term</u> |
|-------------|---------------|---------------|-------------|---------------------|-------------|
| IST Funding | \$3,973,000 | | 0.00% | n/a | |

PERMANENT FINANCING

| | <u>Lender</u> | <u>Amount</u> | <u>Rate</u> | <u>Amortization</u> | <u>Term</u> |
|-------------|---------------|---------------|-------------|---------------------|-------------|
| IST Funding | \$3,973,000 | \$0 | 0.00% | 0 | 0 |

DEVELOPMENT BUDGET

| | |
|---------------------------|------|
| Developer Fee | 7% |
| Lease Up Reserve | 1 mo |
| Operating Deficit Reserve | N/A |
| Debt Service Reserves | N/A |
| General Contractor Fees | 14% |
| Hard Cost Contingency | 10% |
| Soft Cost Contingency* | 10% |

* Impact Fees not included in development Soft Cost as intent of Project to apply for affordable housing waivers through Impact Fee Affordable Housing Assistance Program (IFAHAP)



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319 Clematis St. Suite 401
West Palm Beach, FL 33401
AR 0016260 C.D.A. AA26001334

Laurel Oak Cottages

Hard Construction Assumptions

| <u>Residential Type and Comm. Center</u> | <u>Square Footage</u> | <u>Estimated Cost per square foot</u> | <u>Hard Cost per Type</u> |
|--|---------------------------|---|-------------------------------|
| Type 1 | 981 | \$125.00 | \$122,625 |
| Type 2 | 1018 | \$125.00 | \$127,250 |
| Type 3 | 1200 | \$125.00 | \$150,000 |
| Community Center | 1082 | \$125.00 | \$135,250 |

| <u>Hard Cost Item</u> | <u>Type 1</u> | <u>Type 2</u> | <u>Type 3</u> |
|-----------------------|---------------|---------------|---------------|
| Shell including: | \$36,580 | \$37,839 | \$44,233 |
| site prep | inc. | inc. | inc. |
| slab | inc. | inc. | inc. |
| block | inc. | inc. | inc. |
| beam/column | inc. | inc. | inc. |
| truss installation | inc. | inc. | inc. |
| roof sheathing | inc. | inc. | inc. |
| Plumbing | \$6,822 | \$7,057 | \$8,468 |
| Mechanical | \$6,462 | \$6,685 | \$8,022 |
| Electrical | \$10,011 | \$10,356 | \$12,427 |
| Framing & Drywall | \$10,011 | \$10,356 | \$12,427 |
| Lath & Stucco | \$8,334 | \$6,552 | \$7,659 |
| Painting | \$2,965 | \$3,067 | \$4,000 |
| BR Wall Tile | \$600 | \$1,200 | \$1,200 |
| Flooring | \$4,609 | \$4,333 | \$5,700 |
| Trim Carpentry | \$2,123 | \$2,196 | \$2,635 |
| Windows | \$5,337 | \$5,028 | \$6,034 |
| Walkway & Drives | \$2,308 | \$2,381 | \$2,784 |
| Trusses | \$2,986 | \$3,678 | \$4,300 |
| Electrical fixtures | \$1,370 | \$1,370 | \$1,700 |
| Landscaping | \$1,882 | \$1,882 | \$2,388 |
| Irrigation | \$2,000 | \$2,000 | \$2,000 |
| Cabinetry | \$4,139 | \$4,139 | \$5,005 |
| Appliances | \$2,191 | \$2,191 | \$2,650 |
| Granite Countertop | \$2,116 | \$2,116 | \$2,116 |
| Roofing | \$10,000 | \$11,000 | \$12,000 |
| Insulation | \$1,302 | \$1,347 | \$1,575 |
| Cleaning | <u>\$477</u> | <u>\$477</u> | <u>\$577</u> |
| | \$122,625 | \$127,250 | \$150,000 |

| <u>Resident. Model</u> | <u>Non Resident and Site</u> | <u>Est Unit Cost</u> | <u>Qty</u> | <u>Type Total</u> |
|---|--------------------------------------|----------------------|------------|--------------------|
| type 1 | | \$122,625 | 6 | \$735,750 |
| type 2 | | \$127,250 | 6 | \$763,500 |
| type 3 | | \$150,000 | 5 | \$750,000 |
| | Com. Ctr | \$135,250 | 1 | \$135,250 |
| | Sitework | \$12,000 | 18 | \$216,000 |
| Total Hard Cost (no O&P, GR or Contingency)-----> | | | | \$2,600,500 |

Note: The Opinion provided by David Lawrence Architecture, Inc. ("Architect") represents the Consultant's best judgment as a design professional and is supplied only for the purposes of the RFP No RFP No 2109-ODS-EM. The Architect has no control over the cost of labor and material, competitive bidding or market conditions. Any opinions of probable project cost or probable construction cost provided by Architect are made on the basis of information available and on the basis of experience and qualifications of David Lawrence Architecture, Inc., and represents its judgment as an experienced and qualified professional Architect. However, since Architect has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s) methods of determining prices, or over competitive bidding or market conditions, Architect does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost Architect has prepared.

David Lawrence Architecture Inc.
David
Lawrence
David Lawrence

Digitally signed by David
Lawrence
Date: 2020.07.30
11:43:21 -0400

Addendum No. 3 to RFP No. 2019-001-EM

**Request for Proposals (RFP)
From Palm Beach County Housing Authorities
To Develop, Own, Operate and Maintain
Approximately 1.36 Acres of Land**

May 4, 2020

This Addendum shall be added to and become a part of the RFP and be governed by all terms and conditions set forth therein.

A. The following change is hereby made in response to the conclusion of the Step 1 Selection Committee Meeting conducted on May 1, 2020:

1. RFP Section 1 "General Information", Subsection 1.4 "Timetable" is amended as follows:

| | |
|---------------------------------------|--|
| Step 2 Proposal Deadline for Finalist | To Be Announced <u>4:00 PM on 7/30/2020 at the Reception Desk, 2633 Vista Parkway, West Palm Beach, FL 33411-5400</u> |
|---------------------------------------|--|

NOTE: Please acknowledge receipt of this Addendum No. 3 by signing below and returning this page with your Step 2 Proposal. Each Addendum to the RFP must be signed by an authorized agent and submitted with the Step 2 Proposal or the Step 2 Proposal may be deemed non-responsive.

Acknowledgment



Respondent

7/30/2020

Date

**STEP 1 – SUPPLEMENTAL INFORMATION
(PER SELECTION COMMITTEE REQUEST)**

1. *Revised Development Schedule*

- a) Procurement of Design Professionals – 30 – 45 days**
 - Selection of Design Professionals in accordance with the Consultants Competitive Negotiations Act (CCNA) of Section 287.055, Florida Statutes
 - Execute Contracts
- b) Design and Permit Phases for Owner, Architect and Engineer – 60 days**
 - Initial Site Planning, design and design feasibility period - 10 days
 - Preliminary Civil Engineering Water & Sewer and Paving & Grading Drawings - 30 days
 - Preliminary Architectural Renderings, Draft Floor Plans and Lot Placement-30 days
 - Final Signed and Sealed Site/Civil Plans for Engineering and Final Signed and Sealed Architectural Plans Complete With All Governmental and Building Code Requirements – 45 days
- c) County review of plans, drawings, and applications – 10 days**
- d) Government Regulatory Approvals and Permits – 60 – 120 days**
 - Submit Engineering and Architectural Plans to Engineering Department and Building Department for Review and Wait for Comments-60 days
 - Review Comments From the Engineering and Building Departments and Revise Plans Accordingly. Re-submit Revised Plans.-30 days to revise and 60 business days to review
- e) Subcontractor Solicitation and Procurement Utilizing the WPBHA Procurement Policy – 60 days**
 - Solicitation Preparation- 15 days
 - Pre-Bid Meeting, Advertise Invitation To Bid Solicitation for all Subcontractors – 30 days
 - Review Bids, Conduct Investigation into Qualification of Bidders, and Select Most Responsive, Responsible, Low Bidders- 10 days

- Post Subcontract Awards and Award Bid – 5 days
- f) **Construction Completion of Each Unit (assuming all 17 units + Community Building at once) - 340 days**
 - Infrastructure, Site Work, Sewer, Water, Storm Drainage, Paving and Grading - 120 days
 - Shell Construction Including: Monolithic Concrete and Steel Slab, Concrete Block Walls, Structural Steel and Concrete Columns and Beams, Underground Plumbing Wood Truss Systems, Roof Sheathing, Hurricane Impact Windows and Doors.- 90 days
 - Roofing - 60 days but merge with the others net 0
 - Stucco, Framing, Plumbing Rough, Electric Rough, A/C Rough, Insulation, Drywall.- 60 days
 - Paint, Bathroom Wall Tile, Flooring, Cabinets and Countertops, Interior Doors and Trim, Final Electric, Final Plumbing, Final A/C - 60 days
 - Driveways, Sidewalks and Landscaping – merge with the others so net 0 days
 - Certificates of Occupancy - 10 days
- g) **Preparing and Recording of Easements or Other Legal Documents - 30 days**
 - Survey of easement – 20 days
 - Draft easements or other legal documents for recording – 5 days
 - Recordation of easements – 1 day
- h) **Occupancy for Each Unit – 30 days**
 - Receive tenant referral from County for all 17 homes – forwarded upon CO – 5 days
 - Tenant meeting scheduled, conduct intake and income certification, and execute Lease – 25 days
 - Tenant possession of unit – upon execution of Lease.

2. Explanation of Assumptions for Project Renewal & Replacement Schedule,
Incorporation of Additional Reserves

The Development Proforma demonstrates that there will be residual surtax funds upon completion of construction in the amount of \$165,799.00. This amount will provide a substantial amount to address the issue of reserve for replacement. The WPBHA would request that said surtax funds be placed in a "Cottage Homes Reserve for Replacement Escrow Account" to fund necessary capital projects for major capital future expenditures for building components and systems into the future.

The Laurel Oak Cottages are conceived with high quality construction and durable materials to reduce the need to capital repairs in the near future. It is anticipated that renewal will not be necessary until after year 15. However, additional reserves funding would start in year 10 in addition to the existing escrow. Future replacement will also be managed by creation of a replacement reserves account, funded at a customary rate of \$300 per unit annually from revenue collections.

Lease-up reserves has been set conservatively in the projected financials. The Project contemplates the County and other non-profit providers who service families in need of shelter will be able to direct families to the Project, many of whom are existing clients in their programs. The WPBHA will also maintain a back-up list for the property, as it is anticipated need will greatly outweigh availability. In light of these factors, lease-up is scheduled to take place swiftly, within 30 days of Certificate of Occupancy. Accordingly, a one-month lease up reserve has been established.

Operating deficit reserve was determined not applicable to the project, as there are no financing interest payments or other sources of funding which would necessitate the same.

3. Clarification of Exhibit F requirements – Unit & Bathroom Sizes

The WPBHA confirms that it will incorporate all requirements from Exhibit F, in RFP No. 2019-001-EM in its concept, construction, and design of the Project to fulfill the immediate and long-range purposes of the RFP. The WPBHA acknowledges that Exhibit F contains minimum requirements that must be used, particular minimum room dimension. The WPBHA hereby clarifies its Step 1 submission to confirm that it will comply with Exhibit F, No. 9, with all room size requirements.

Agenda Item #: 5A.2
MM/MB 7-0

Meeting Date: **September 26, 2017** ☐ **Consent** ☒ **Regular**
 ☐ **Ordinance** ☐ **Public Hearing**

APPROVED

BY BOARD OF COUNTY COMMISSIONERS
AT MEETING OF SEP 8 2017

I. EXECUTIVE BRIEF MEETING OF SEP 2, 6 2017

MINUTES & RECORDS SECTION

- A) authorization to demolish the existing building and re-use of 1.3-acres of County property formerly occupied by the Tax Collector for the development of small lot transitional housing units;
- B) authorization to develop a Request For Proposals for the development and development/operation of approximately 20 small lot homes;
- C) staff develop an outreach program to municipalities about the small lot form of development and how it can assist municipalities in meeting their affordable housing and redevelopment objectives as well as not for profits and developers who are seeking opportunities to satisfy their affordable/workforce housing requirements.

Background and Policy Issues: Staff has been continually evaluating County-owned surplus properties which have potential to be used for development of affordable/workforce/transitional housing. The majority of the surplus developable properties are small single family lots that afford limited development capacity, and as a result there has been little interest expressed by existing County programs and not for profit housing groups in utilizing such properties to achieve meaningful housing solutions for the target population.

1. Location Map

9/18/17
Date

9/25/17
Date

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 (County) | _____ | _____ | _____ | _____ | _____ |
| In-Kind Match (County) | _____ | _____ | _____ | _____ | _____ |
| NET FISCAL IMPACT | <u> * </u> | _____ | _____ | _____ | _____ |
| # ADDITIONAL FTE POSITIONS (Cumulative) | _____ | _____ | _____ | _____ | _____ |

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund _____ Dept _____ Unit _____ Object _____
Program _____

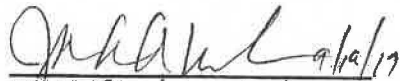
B. Recommended Sources of Funds/Summary of Fiscal Impact:

* There is no fiscal impact associated with this item although the value of the property being contributed is between \$600,000-\$900,000. If the BCC approves Staff's recommendation, an RFP will be issued in the future which will likely have a fiscal impact. The BCC will consider the proposals received and the fiscal impact of those proposals at that time.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


OFMB Staff 9/19 & 9/19


Contract Development and Control 9/20/17

B. Legal Sufficiency:


Assistant County Attorney 9/21/17

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Background and Policy Issues (con't)

As a result of changes stemming from recent planning and programming initiatives, FDO Staff (Staff) began considering the former Tax Collector's Office property on Military Trail which has remained vacant for an extended period of time and has no physical potential to support any County space need. Because of its size (approximately 1.3 acres), location in an area with urban services and due to the fact that it is within an existing platted subdivision, it presents a unique opportunity to develop approximately twenty (20) 800 – 1,200 square foot detached single family affordable/workforce/transitional housing units. Staff is recommending that the Board authorize Staff to pursue demolition and reuse of this property for that purpose. Staff would use this as a test case in hopes of garnering support for the smaller form of housing and more traditional subdivision development that is discussed in more detail below.

As has been discussed at length in various housing forums, there are numerous factors which drive up the cost of housing, including land availability/cost, construction cost, and regulatory requirements. Component costs include low usable density, low lot coverage (setbacks, buffering, pervious area and so on), lengthy approval processes, extension of infrastructure (roads, water sewer, drainage) and impact fees to name the most commonly cited.

Current land development regulations have been crafted to address issues associated with ever expanding suburban development and in an attempt to make development pay for itself while delivering substantial homeowner amenities. The result is that the majority of new housing units in the unincorporated area of the County have been developed within a series of master planned communities with an overall density that rarely achieves or exceeds 5 units per acre (the suburban form of residential development). The suburban form of development is not affordable for a large segment of the general population. Compounding this is the scarcity of raw land left within the Urban Service Area for new construction. What does remain is largely at the western fringe in areas with limited services.

Staff believes that a shift in focus from the suburban form to a more traditional form offering modest size (25' - 30' x 100') lots will facilitate development of housing products that are within the economic reach of the low and middle income segments of the local population. This form of development is most commonly associated with the urban areas of West Palm Beach, Lake Worth, Boynton Beach, and Delray Beach (including some aging unincorporated areas), which at the time of development did not face many of the previously mentioned component costs. There are numerous areas within municipal and adjacent unincorporated areas where such lots remain in place and are served by existing infrastructure. Because these lots were previously platted with higher density (20 units/acre not being atypical) and are thus vested in their current configuration, no series of development approvals or lengthy review procedures are required. Such projects can proceed straight to building permit review and issuance. Setbacks on those lots can be reduced below current zoning standards to dimensions that are proportionate to the width and depth of each individual lot. The relatively modest size of the resulting unit reduces land and construction costs and the ongoing expenses of home ownership thereafter. The local market appears to accept this smaller lot form, as there are several privately funded projects in pockets throughout the urban service area of the County which have been developed in the last few years with market prices in a range of \$125,000 - \$150,000 per unit. There are several such projects in close proximity to the subject site.

The subject site on Military Trail has underlying 25'x109' platted lots such as those described above. PZB and Land Development Staff have confirmed that the site's vested plat allows for housing development that could overcome most of the challenges imposed by the suburban form required by current County land development regulations as discussed in the attached report prepared by UDKS. Attached is a conceptual site plan depicting this form of development on this site. Staff recommends the County pursue development of approximately twenty (20) 800 – 1,200 sf detached units on this property as a test case. Staff is hopeful that the end result will be able to further demonstrate the viability of this small platted lot form of development.

There remain numerous details to be worked out. In order to expedite the delivery of affordable housing, funding is being provided from the Infrastructure Sales tax budget and this funding source requires that the County retain ownership. It is contemplated that the County will issue an RFP for a developer to construct, operate and maintain the project for transitional housing in support of existing County programs. Staff is recommending that the Board conceptually approve the use of the property for this purpose. Staff will proceed to work through these issues and provide a refined proposal, including preparation of an RFP for the developer or developer/operator, to the Board through a future agenda item.

If this test case proves the viability of the small lot form of development, then Staff would recommend pursuing code changes within the municipalities and unincorporated areas to facilitate this form of housing development. We envision outreach efforts to the municipalities about this form of development and how it can assist in meeting their affordable housing and redevelopment objectives. Staff will also undertake outreach to not for profit agencies, as well as developers looking for opportunities to satisfy their affordable/workforce housing requirements to raise awareness of this form of development and to generate support for the code changes required to facilitate this form of development on a larger scale.

As you can see, this will be a multi-phase process which will take time to successfully implement. In the interim, we will continue to evaluate the suitability of other County owned surplus properties for this purpose and work with the cities to begin a centralized database of properties which have the potential for this form of development.

TWP 44

22

TWP 44

23

TWP 44

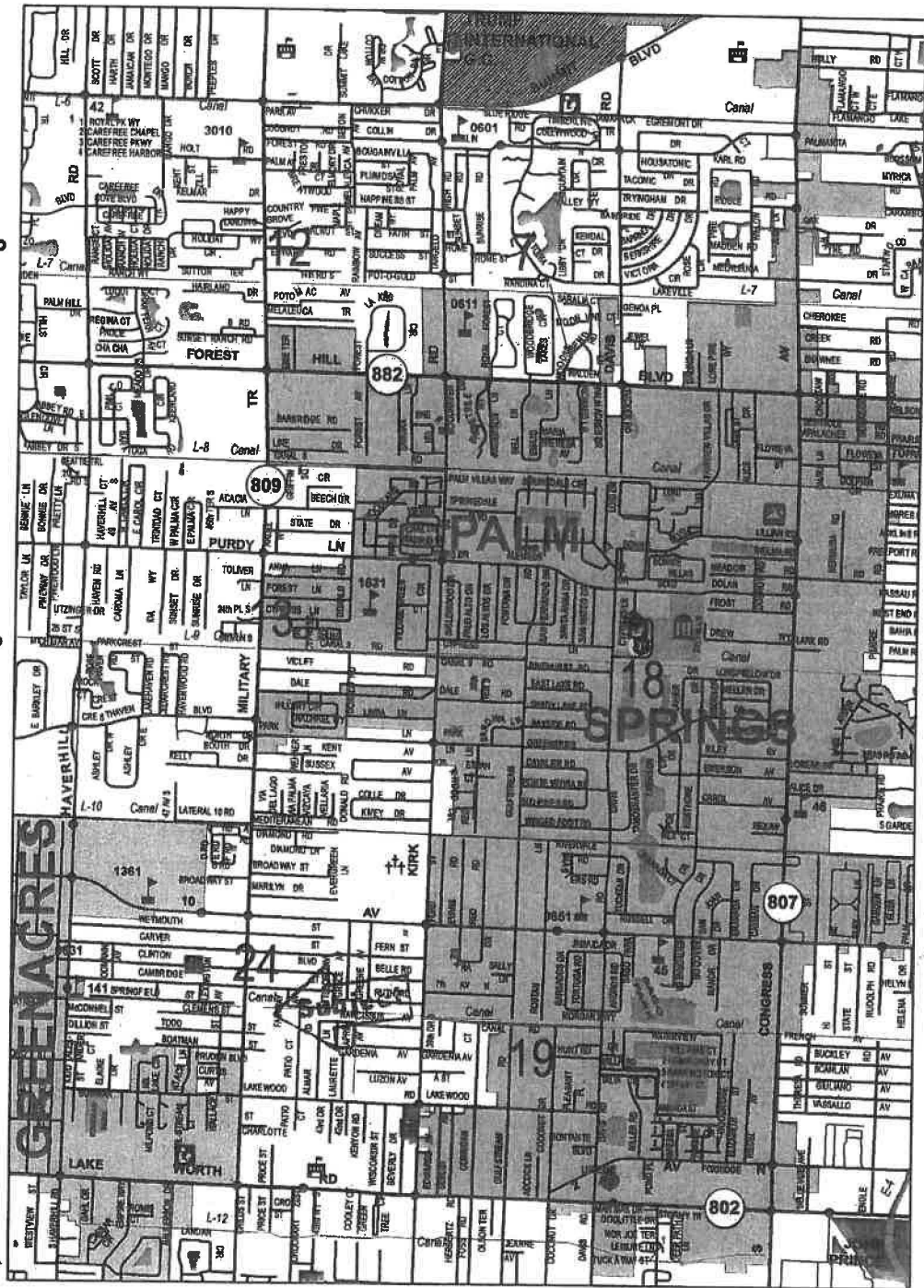
24

RNG 42

See pg 90

RNG 43

Page 80



LOCATION MAP



ATTACHMENT # 5

Agenda Item #: 9:30 a.m.

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

WORKSHOP SUMMARY

Meeting Date: February 26, 2019

Department: Administration

I. EXECUTIVE BRIEF

Title: Housing Units for Homeless, Extremely Low & Low Income-IST Project Plan

Summary: Staff was directed to develop a proposal for the use of the \$25,500,000 Infrastructure Sales Tax (IST) funding allocated by the Board for housing units for Homeless, Extremely Low and Low Income. The attached white paper accomplishes that direction and provides a proposed four (4) Project Plan components and allocations of the IST funding. As proposed, the Project Plan includes the following initiatives: (1) Cottage Homes-\$4,000,000; (2) Tax Deed/Seed Funding-\$2,500,000; (3) Mixed Income Development-\$14,000,000 and Municipal Incentive Funding-\$5,000,000. Staff is seeking Board direction on the proposed four (4) Project Plan components and allocation of the \$25,500,000 IST funding. Since the \$25,500,000 is received at \$2,550,000, annually for 10 years, Staff intends to use the Board direction and priorities to develop a time specific funding plan which will reflect the anticipated receipt of the IST funding. (Housing & Economic Sustainability/Community Service)Countywide (DB)

Background and Policy Issues: On November 8, 2016, the voters of Palm Beach County approved an Infrastructure Surtax Project Plan for one cent, maximum 10 years beginning January 1, 2017 (or if the surtax generates \$2.7 billion before September 1st of any year), creation of an oversight committee to audit spending for compliance with approved projects, and the following allocations: 50% to the School District, 30% to the County, and 20% to the Municipalities. On April 4, 2017, the Board approved the County's project list of approximately \$709 million to be funded from the proceeds of the infrastructure surtax. The plan included an annual allocation of \$2,550,000 for housing units for the homeless, extremely low income and low income totaling \$25,500,000 over the 10-year period.

Attachments:

1. Housing Units for Homeless, Extremely Low & Low Income
IST Project Plan White Paper

Recommended by:  2/20/19
Assistant County Administrator Date

Approved By:  2/21/19
County Administration Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| | | | | | |
|------------------------|--|--|--|--|--|
| Fiscal Years | | | | | |
| | | | | | |
| Capital Expenditures | | | | | |
| Operating Costs | | | | | |
| External Revenues | | | | | |
| Program Income(County) | | | | | |
| In-Kind Match(County) | | | | | |
| NET FISCAL IMPACT | | | | | |
| #ADDITIONAL FTE | | | | | |
| POSITIONS (CUMULATIVE) | | | | | |

Is Item Included in Current Budget? Yes No
Does this item include the use of federal funds? Yes No


Budget Account No:
Fund Agency Organization Object


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

C. Departmental Fiscal Review:

III. REVIEW COMMENTS:

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


OFMB Fiscal 2/20/19
2/20 2/20 2/20


Contract Dev. & Control 2/20/19

B. Legal Sufficiency


Assistant County Attorney 2/20/19

C. Other Department Review

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

February 25, 2019

To: Honorable Mayor Mack Bernard and
Members of the Board of County Commissioners

From: Faye W. Johnson, Assistant County Administrator
Nancy Bolton, Assistant County Administrator

Re: **Housing Units for Homeless, Extremely Low & Low Income**
IST Project Plan — February 26, 2019 Workshop

This white paper's primary objective is to get Board direction on the proposed four (4) Project Plan components and allocation of the \$25,500,000 Infrastructure Sales Tax (IST) funding for "Housing Units for Homeless, Extremely Low and Low Income". It identifies the method of operation, the proposed operating entity, and the potential funding source for the operational costs. Staff intends to use the Board direction to develop the time specific funding plan and bring it back to the BCC for approval at a later date.

Background

As has been discussed at length in various housing forums, there are numerous factors which drive up the cost of housing, including land availability/cost, construction cost, and regulatory requirements. Component costs include low usable density, low lot coverage (setbacks, buffering, pervious area and so on), lengthy approval processes, extension of infrastructure (roads, water sewer, drainage) and impact fees to name the most commonly cited. To further address level of service deficiencies in the areas of homeless, extremely low and low income housing services, the Board allocated \$31,200,000 from the one-penny sales tax revenue and directed staff to bring back a proposal for the use of the funds to address this need. As presented at the December 4, 2018 BCC meeting, \$5,700,000 of the funds has been allocated to the second Housing Resource Center (HRC2), which is a separate IST Project. Staff intends to bring back a proposal on the HRC2 to the Board at the June 26, 2019 workshop.

This Project Plan is presented for the Board's discussion and direction on the remaining \$25,500,000 IST funding. The four (4) Project Plan Components are designed to take a multi-pronged approach to assist in reducing the shortage of affordable-workforce housing for homeless, extremely low and low income individuals and families. Household incomes cannot exceed 80% of the County's Area Median Income (AMI) in place at the time the projects are implemented. Based on the current AMI of \$74,300, the maximum household income would be \$61,500 (adjusted for family size). IST funding began to accrue in FY 17 and budgetary allocations are anticipated to be received in annual increments of \$2,550,000 for ten (10) years. The Board should keep in mind that in all cases where IST funding is utilized, there is a statutory requirement for the property/building to remain in the ownership of the County, City or Housing Authority. It should also be noted that IST funding cannot be used for operations or operating costs in any scenario. All operating costs would need to be from a source other than IST funding.

Plan Overview

This IST Project Plan is premised primarily on a partnership between the County and the local Housing Authorities, and also includes Nonprofits and Municipalities to a lesser extent. In March of 2018, the Board held an inaugural roundtable discussion with the seven local Housing Authorities: Belle Glade, Boca

Raton, Delray Beach, Riviera Beach, West Palm Beach and Palm Beach County. Collectively, the Authorities reported a combined waiting list of more than 11,000 for housing units and over 5,000 for housing vouchers. The County’s partnership with the Housing Authorities, along with other stakeholders, is essential to addressing the critical need for safe, decent and affordable housing. The Authorities typically serve clients earning incomes under 80% of area median income which is the target income group of the IST Project Plan. In addition, the Housing Authorities also engage in special projects and development activities. Staff believes their experience and expertise could be utilized to assist the County to successfully implement the IST Project Plan. This IST partnership could also help fulfill the Board’s commitment to strengthen communication and coordination with the local Housing Authorities. The proposed four (4) components and IST funding amounts, outlined in Attachment 1 and summarized herein, include the following:

- Cottage Homes: (\$ 4,000,000)
- Tax Deed & Incentive Funding: (\$ 2,500,000)
- Mixed Income Development: (\$14,000,000)
- Municipal Incentive Funding: (\$ 5,000,000)

Project Plan Four (4) Program Components

(1): Cottage Homes

Development Overview.

Current land development regulations have been crafted to address issues associated with ever expanding suburban development and in an attempt to make development pay for itself while delivering substantial homeowner amenities. The result is that the majority of new housing units in the unincorporated area of the County have been developed within a series of master planned communities with an overall density that rarely achieves or exceeds 5 units per acre (the suburban form of residential development). The suburban form of development is not affordable for a large segment of the general population. Compounding this is the scarcity of raw land left within the Urban Service Area for new construction. What does remain is largely at the western fringe in areas with limited services.

Staff believes the inclusion of a more traditional form of development in unincorporated areas could be successful. Offering modest size (25’ - 30’ x 100’) lots could assist our efforts to facilitate development of housing products that are within the economic reach of the extremely low and low income segments of the local population. This form of development is most commonly associated with the urban areas of West Palm Beach, Lake Worth, Boynton Beach, and Delray Beach (including some aging unincorporated areas), which at the time of development did not face many of the previously mentioned component costs. There are numerous areas within municipal and adjacent unincorporated areas where such lots remain in place and are served by existing infrastructure. Because these lots were previously platted with higher density (20 units/acre not being atypical) and are thus vested in their current configuration, no series of development approvals or lengthy review procedures are required. Such projects can proceed straight to building permit review and issuance. Setbacks on those lots can be reduced below current zoning standards to dimensions that are proportionate to the width and depth of each individual lot. The relatively modest size of the resulting unit reduces land and construction costs and the ongoing expenses of home ownership thereafter. The local market appears to accept this smaller lot form, as there are

several privately funded projects in pockets throughout the urban service area of the County which have been developed in the last few years with market prices in a range of \$150,000- \$200,000 per unit.

The Cottage Homes project will be located on the County-owned property which previously housed the Lake Worth Tax Collector's Office on Military Trail south of 10th Avenue North. Authorization to demolish the existing building and re-use the property for the project was approved by the BCC at the September 26, 2017 Board meeting. The project is intended to showcase how a small lot form of development could address housing affordability and gracefully integrate with other residential structures of all sizes. Following the project's completion, staff recommends pursuing code changes in the unincorporated areas and within the municipalities that do not have codes which support this form of development in order to support these affordability objectives.

Development and Operations Overview

The cottages will serve families with children under the age of 18 who are homeless as documented through the Coordinated Entry system, score no higher than a 3 on the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT) and are taken from the by-name acuity list. The VI-SPDAT is used for both singles and families to determine risk and prioritization when providing assistance to homeless and at-risk of homelessness persons. The VI-SPDAT helps identify and prioritize who should be recommended for each housing and support intervention, moving the discussion from simply who is eligible for a service intervention to who is eligible and in greatest need of that intervention. Families within this category are typically working and have a semi-structured support system. It is estimated that each family will stay an average of 21 months but no longer than 24 months. Family size will be limited to two people per bedroom. Tenants of rental units developed using IST (i.e. Cottage Homes) would be permitted to use Tenant Based Rental Assistance (TBRA), to rent eligible units, in accordance with the Federal Regulations.

Staff recommends that a single Request for Proposal (RFP) be solicited among all Housing Authorities¹ which exist in Palm Beach County. The RFP would offer to convey the property and up to \$4,000,000 to accomplish the development of the Cottage Home Project. The RFP would set forth the minimum number of units to be constructed, the min and max square footage for each unit, and other key design considerations. Due to the use of IST funding, the property and improvements must always remain in Housing Authority ownership and as such, the units would all be rentals. The RFP would also require the Housing Authorities to be responsible for the perpetual maintenance of the project, renewal/replacement, operation and provision of wrap around services. Proposals would be evaluated on a number of selection criteria such as: 1) quality of units to be constructed; 2) funding assistance required for the operations; maintenance, renewal/replacement (if any), 3) quality and extent of wrap around services to be provided; 4) funding assistance required for wrap around services (if any), and 5) time to complete. The Housing Authorities may partner/contract with private parties and not for profit entities as necessary to fulfill the requirements of the RFP. IST dollars can only be used for capital improvements and cannot be used for operational costs. If funding assistance is required for operations,

¹ It is the opinion of County Attorney's Office that the County can convey property/improvements to a municipality or housing authority providing they contractually agree to follow all statutory requirements for IST funding as well as all statutory guidelines governing design (CCNA) and construction (competitive bidding). This would be accomplished by either; 1) a transfer restriction in the agreement indicating that any further sale of the property is subject to County prior approval, and/or 2) a recorded deed restriction placing owners on notice of the restriction.

maintenance, renewal/replacement and/or wrap around services, a non-IST funding source will be required.

(2): Tax Deed Surplus Property Conveyance & Incentive Funding

Housing Authorities Tax Deed Surplus Property Conveyance

The purpose of this Project Plan component is to increase the use of residentially zoned properties received by tax certificates for extremely low and low income individuals and/or families. Pursuant to this program, the County would use Housing Authorities² as the County's implementing entity, to convey parcels received through tax deeds that will accommodate three (3) or more units on the site for the production of single family and/or low density multi-family housing for extremely low, very low and low income individuals/families. Mixed income level projects (moderate through extremely low), not requiring IST funding, would also be considered. Housing Authorities may accept conveyance of tax deed property for affordable housing purposes subject to a deed restriction. Nothing in this option precludes the County from retaining buildable lots for the direct provision of for-sale attainable, affordable units.

Housing Authority Incentive Funding

This program subcomponent provides an additional source of funding to the Housing Authorities. A Housing Authority may seek incentive funding for properties other than those conveyed by tax deed. Likewise, a Housing Authority is not required to seek IST funding for improving a tax deed conveyed property. The County would issue an open request for funding from Housing Authorities (Proposer or Award Recipient) seeking incentive funding for homeless, extremely low or low income projects. The County would provide partial capital funding from allocated IST funding (the amount of the funding could be as high as 80% of the project capital costs associated with Housing Authority owned and operated housing projects serving the homeless). County IST funds could be used as a local match to State and Federal funding secured by a Housing Authority, which could include but is not limited to, LIHTC, Vouchers, SAIL, competitive grants, etc. Solicitations will continue until all IST funds allocated to this component were awarded. If IST funding is granted for a project, the land and improvements must remain in Housing Authority ownership.

Operations Overview

If no IST funds are requested/used, there is no operational requirement attached to this option as the property would be owned and become the responsibility of the owner. However, if the Housing Authority requests IST funds as incentive funding, then the land and units must remain in the Housing Authority's ownership and the costs of operation would be borne by the Housing Authority and must be accomplished through non-IST funding sources.

(3): Mixed Income Development

Development Overview

The purpose of this project is to use SURPLUS civic sites that are generally 10 acres or larger for the development of mixed income, single and multi-family units. For the purposes of this component, a

² See previous footnote

surplus civic site is referred to as a Parcel. The County would Issue a solicitation to Housing Authorities as developers of a Parcel to master plan the entire Parcel for a mixed income (extremely low, very low, low) affordable, workforce single family and other low density multi-family housing³ along with all common amenities. Mixed income level projects, moderate through extremely low, will be more favorably considered and would require non-IST funding for the moderate-income units. The Housing Authorities would be encouraged to partner with not for profits for the development and on-going management of the property. The units would include permanent supportive housing for those persons with extremely low and very low income, including those on a fixed income such as social security or social security disability.

The County would donate the Parcel and be responsible for securing the appropriate zoning to accomplish the project. The RFP respondent would propose a mixed unit development specifically identifying: 1) the number of units for each income category; 2) a conceptual plan identifying the layout of the units demonstrating how units identified for each income level will be dispersed throughout the entire development and how the Project will transition to the adjacent market rate developments; 3) the funding required; 4) approach to the delivery of the units; 5) the amount of capital funding assistance required for the construction of the extremely low, very low and low income units; 6) the plan for managing the deed restrictions on the units to be sold; 7) the plan for managing the rental units compliant with the IST requirements; and 8) past experience and ability to successfully execute the Project. THE RESPONDENTS WILL NEED TO BE VERY CREATIVE IN THE MASTER PLANNING AND DESIGN OF THE PARCEL SO THAT THE UNITS FOR EACH INCOME LEVEL ARE DISPERSED, BUT ENSURE THAT IST FUNDING IS ONLY USED FOR THE CONSTRUCTION OF RENTAL UNITS DEED RESTRICTED TO EXTREMELY LOW, VERY LOW AND LOW INCOME INDIVIDUALS AND FAMILIES. IST FUNDING CAN NOT BE USED FOR SITE INFRASTRUCTURE, ANY UNIT TO BE SOLD, OR ANY UNIT NOT DEED RESTRICTED TO EXTREMELY LOW, VERY LOW, AND LOW INCOME INDIVIDUALS AND FAMILIES.

All units would be managed by the successful Housing Authority or its project property manager partner. There would be no County operational or on-going funding contribution. The County's funding of the land, zoning and costs of construction for the low, very low and extremely low units will be sufficient to maintain appropriate lease rates.

(4): Municipal Incentive Funding

Development Overview

The purpose of the Municipal Incentive Funding component is to encourage municipal participation in the siting, delivery and operation of housing for homeless, extremely low and/or low income individuals and families by allowing the municipality to make all decisions relating to siting, design, and construction of the project.⁴ The County's contribution would be funding in the form of a grant subject to the statutory use requirements for IST funding and the selection of design consultants. The grant would not be subject to repayment.

³ Market rate units will be allowed but may not exceed 20% of the units.

⁴ It is the opinion of County Attorney's Office that the County can provide IST funding or convey property/improvements where IST funding was used to a municipality or housing authority providing they contractually agree to follow all statutory requirements for IST funding as well as all statutory guidelines governing design (CCNA) and construction (competitive bidding). This would be accomplished by either; 1) a transfer restriction in the agreement indicating that any further sale of the property is subject to County prior approval, and/or 2) a recorded deed restriction placing owners on notice of the restriction.

The County would issue a series of solicitations for proposals from municipalities or municipality/Housing Authority partner teams (Proposer or Award Recipient) seeking incentive funding for homeless, extremely low or low income projects within their municipal limits. The County would provide partial capital funding (the amount of the funding would be as high as 80% of the capital costs associated with municipal owned and operated housing projects serving the homeless). Proposals for extremely low could receive 50% and low income housing projects could receive 40%. County funds could be used as a local match to State and Federal funding secured by a municipality, which could include but is not limited to, municipal IST funds, general funds, CDBG, HOME, HOPWA, competitive grants etc. Solicitations will continue until all IST funds allocated to this component were awarded.

Operations Overview

Responsibility for operating the units would be 100% the responsibility of the Award Recipient using whatever non-IST funding sources/donations are available to them. The solicitation will require that the Proposer identify the sources of funding for the operation.

Approach to Implementation

Facilities Development & Operation's (FDO) role in implementing the overall program will be to: 1) act as the lead in the development and management of the solicitation and/or negotiation of agreements for developers and/or operators of County-owned parcels, 2) act as the lead in the development of all agreements with other governmental entities; 3) prepare all documents relative to the transfer of land to another governmental entity, and 4) prepare a checklist of all applicable restrictions to each type of unit for use by Housing and Economic Sustainability and Community Services.

Housing and Economic Sustainability's role in implementing the overall program will be to: 1) administer executed developer agreements with other governmental entities to ensure that the other party is complying with the terms of the agreement, as appropriate 2) provide eligibility assistance to other governmental entities on determining individual and family eligibility, as appropriate 3) identify potential non-IST funding sources to implement the Large Mixed Income Development component, 4) monitor and evaluate the performance of the entities as appropriate, and 5) develop the form of a report to the BCC regarding the success of the programs. Specifically for the Cottage Homes component, DHES will be the prime "user" department for the Cottage Homes development RFP. DHES staff support for the administration of IST projects will be addressed through the budget process; as appropriate.

Community Service's role in implementing the overall program will be to: 1) administer executed agreements with contracted operators for County owned units in the Cottage Home and the Large Mixed Income Developments, 2) development of the program for how wrap around services are to be provided to all homeless individuals in each program component, 3) provide eligibility assistance to individual and family eligibility, as appropriate, 4) monitor and evaluate the performance of the entities as appropriate, 5) make annual funding recommendations for non-IST funding necessary to implement the wrap around and supportive services required, 6) vet and make housing placements to Cottage Home development as well as any other development that is restricted to homeless individuals and families, and 7) develop the form of a report to the BCC regarding the success of the programs. Specifically for the Cottage Homes component, Community Services will be the prime "user" department for the Cottage Homes operator RFP.

Attachments

1. Summary of Program Components

C: **Verdenia C. Baker, County Administrator**
 Jonathan Brown, Director Housing and Economic Sustainability
 Sherry Howard, Assistant Director Housing and Economic Sustainability
 James Green, Director Community Services
 Taruna Malhotra, Assistant Director Community Services
 Wendy Tippet, Director Human Services
 Audrey Wolf, Director Facilities Development & Operations
 Ross Hering, Director Property and Real Estate Management
 Eric McClellan, Director, FDO Strategic Planning
 Fernando DelDago, Director Capital Improvements
 James Brako, Assistant County Attorney
 David Behar, Assistant County Attorney

ATTACHMENT 1
SUMMARY OF PROGRAM COMPONENTS

| Program Component | Summary |
|--|--|
| Cottage Homes | <ul style="list-style-type: none"> a. Funding Level: <ul style="list-style-type: none"> i. \$600,000-\$900,000 - Value of Property ii. \$4,000,000 IST Funding b. Target Population: Homeless c. Ownership: LAND AND IMPROVEMENTS MUST REMAIN IN COUNTY⁵, MUNICIPAL OR HOUSING AUTHORITY OWNERSHIP SO LEASES ONLY. d. Development: Housing Authority Funding Agreement subject to terms of statute governing IST funding and following CCNA statutory requirements.⁶ e. Operation: Housing Authority |
| Housing Authority Tax Deed/Incentive Funding | <ul style="list-style-type: none"> a. Funding Level: Up to \$2,500,000 in IST funding for Improvements to real property with individual projects not to exceed 80% of project capital cost. Mixed income level projects (moderate through extremely low) will be considered, if no IST funding is required. b. Target Population: Extremely Low, Very Low and Low income Individuals and/or Families. c. Ownership: Housing Authority. PROPERTY CONVEYED WITHOUT IST FUNDING ASSISTANCE CAN BE SOLD SUBJECT ONLY TO ELIGIBILITY RESTRICTIONS. IF IST FUNDING ASSISTANCE IS RECEIVED, LAND AND IMPROVEMENTS MUST REMAIN IN HOUSING AUTHORITY OWNERSHIP SO THESE UNITS WOULD BE LEASE ONLY and would be subject to terms governing IST funding and following CCNA statutory requirements for the selection of design professionals and design-build contractors.⁷ d. Operation: Housing Authority (self-performed or contracted operator) |
| Mixed Income Development | <ul style="list-style-type: none"> a. Funding Level: Up to \$14,000,000 in IST funding for housing units to be deed restricted and leased to low, very low and extremely low income individuals and families. |

⁵ It is the opinion of County Attorney's Office that use of Infrastructure Sales Tax funding is for capital projects that constitute government facilities.

⁶ It is the opinion of County Attorney's Office that the County can convey property/improvements to a municipality or housing authority providing they contractually agree to follow all statutory requirements for IST funding as well as all statutory guidelines governing design (CCNA) and construction (competitive bidding). This would be accomplished by either; 1) a transfer restriction in the agreement indicating that any further sale of the property is subject to County prior approval, and/or 2) a recorded deed restriction placing owners on notice of the restriction.

| | |
|-----------------------------|---|
| | <ul style="list-style-type: none"> b. Target Population: Workforce, Affordable, Extremely Low and Low Individuals and/or Families. Mixed income level projects, moderate through extremely low, will be more favorably considered and would require non-IST funding for the moderate-income units. c. Ownership: Any unit and the parcel of land that underlies that unit that is funded IST proceeds will remain in the ownership of the Housing Authority and/or County and will be deed restricted to low, very low and extremely low income individuals and families. The remainder of the unit could be sold to private individuals and families meeting the workforce and affordable eligibility criteria. d. Operation: Housing Authority |
| Municipal Incentive Funding | <ul style="list-style-type: none"> a. Funding Level: \$5,000,000 b. Target population: Homeless (up to 80% IST funding on land and/or improvements), Extremely Low (up to 50% IST funding on land and/or improvements) and Low Income up to 40% IST funding on land and/or improvements) Individuals and families. c. Ownership: Municipality or Housing Authority subject to terms of statute governing IST funds and following CCNA statutory process. IMPROVEMENTS MUST REMAIN IN MUNICIPAL OR HOUSING AUTHORITY OWNERSHIP SO LEASES ONLY. d. OPERATION: Municipality or Housing Authority (self performed or contracted operator). |

Agenda Item #: 5A.2
MM/MB 7-0

Meeting Date: **September 26, 2017** ☐ **Consent** ☒ **Regular**
 ☐ **Ordinance** ☐ **Public Hearing**

APPROVED

BY BOARD OF COUNTY COMMISSIONERS

I. EXECUTIVE BRIEF MEETING OF SEP 2, 6 2017

MINUTES & RECORDS SECTION

- A) authorization to demolish the existing building and re-use of 1.3-acres of County property formerly occupied by the Tax Collector for the development of small lot transitional housing units;
- B) authorization to develop a Request For Proposals for the development and development/operation of approximately 20 small lot homes;
- C) staff develop an outreach program to municipalities about the small lot form of development and how it can assist municipalities in meeting their affordable housing and redevelopment objectives as well as not for profits and developers who are seeking opportunities to satisfy their affordable/workforce housing requirements.

Background and Policy Issues: Staff has been continually evaluating County-owned surplus properties which have potential to be used for development of affordable/workforce/transitional housing. The majority of the surplus developable properties are small single family lots that afford limited development capacity, and as a result there has been little interest expressed by existing County programs and not for profit housing groups in utilizing such properties to achieve meaningful housing solutions for the target population.

1. Location Map

9/18/17
Date

9/25/17
Date

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 (County) | _____ | _____ | _____ | _____ | _____ |
| In-Kind Match (County) | _____ | _____ | _____ | _____ | _____ |
| NET FISCAL IMPACT | <u>×</u> | _____ | _____ | _____ | _____ |
| # ADDITIONAL FTE POSITIONS (Cumulative) | _____ | _____ | _____ | _____ | _____ |

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund _____ Dept _____ Unit _____ Object _____
Program _____

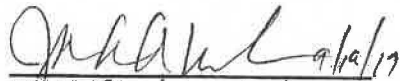
B. Recommended Sources of Funds/Summary of Fiscal Impact:

* There is no fiscal impact associated with this item although the value of the property being contributed is between \$600,000-\$900,000. If the BCC approves Staff's recommendation, an RFP will be issued in the future which will likely have a fiscal impact. The BCC will consider the proposals received and the fiscal impact of those proposals at that time.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


OFMB Staff 9/19/17
9/19/17


Contract Development and Control 9/20/17
9/20/17

B. Legal Sufficiency:


Assistant County Attorney 9/21/17

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Background and Policy Issues (con't)

As a result of changes stemming from recent planning and programming initiatives, FDO Staff (Staff) began considering the former Tax Collector's Office property on Military Trail which has remained vacant for an extended period of time and has no physical potential to support any County space need. Because of its size (approximately 1.3 acres), location in an area with urban services and due to the fact that it is within an existing platted subdivision, it presents a unique opportunity to develop approximately twenty (20) 800 – 1,200 square foot detached single family affordable/workforce/transitional housing units. Staff is recommending that the Board authorize Staff to pursue demolition and reuse of this property for that purpose. Staff would use this as a test case in hopes of garnering support for the smaller form of housing and more traditional subdivision development that is discussed in more detail below.

As has been discussed at length in various housing forums, there are numerous factors which drive up the cost of housing, including land availability/cost, construction cost, and regulatory requirements. Component costs include low usable density, low lot coverage (setbacks, buffering, pervious area and so on), lengthy approval processes, extension of infrastructure (roads, water sewer, drainage) and impact fees to name the most commonly cited.

Current land development regulations have been crafted to address issues associated with ever expanding suburban development and in an attempt to make development pay for itself while delivering substantial homeowner amenities. The result is that the majority of new housing units in the unincorporated area of the County have been developed within a series of master planned communities with an overall density that rarely achieves or exceeds 5 units per acre (the suburban form of residential development). The suburban form of development is not affordable for a large segment of the general population. Compounding this is the scarcity of raw land left within the Urban Service Area for new construction. What does remain is largely at the western fringe in areas with limited services.

Staff believes that a shift in focus from the suburban form to a more traditional form offering modest size (25' - 30' x 100') lots will facilitate development of housing products that are within the economic reach of the low and middle income segments of the local population. This form of development is most commonly associated with the urban areas of West Palm Beach, Lake Worth, Boynton Beach, and Delray Beach (including some aging unincorporated areas), which at the time of development did not face many of the previously mentioned component costs. There are numerous areas within municipal and adjacent unincorporated areas where such lots remain in place and are served by existing infrastructure. Because these lots were previously platted with higher density (20 units/acre not being atypical) and are thus vested in their current configuration, no series of development approvals or lengthy review procedures are required. Such projects can proceed straight to building permit review and issuance. Setbacks on those lots can be reduced below current zoning standards to dimensions that are proportionate to the width and depth of each individual lot. The relatively modest size of the resulting unit reduces land and construction costs and the ongoing expenses of home ownership thereafter. The local market appears to accept this smaller lot form, as there are several privately funded projects in pockets throughout the urban service area of the County which have been developed in the last few years with market prices in a range of \$125,000 - \$150,000 per unit. There are several such projects in close proximity to the subject site.

The subject site on Military Trail has underlying 25'x109' platted lots such as those described above. PZB and Land Development Staff have confirmed that the site's vested plat allows for housing development that could overcome most of the challenges imposed by the suburban form required by current County land development regulations as discussed in the attached report prepared by UDKS. Attached is a conceptual site plan depicting this form of development on this site. Staff recommends the County pursue development of approximately twenty (20) 800 – 1,200 sf detached units on this property as a test case. Staff is hopeful that the end result will be able to further demonstrate the viability of this small platted lot form of development.

There remain numerous details to be worked out. In order to expedite the delivery of affordable housing, funding is being provided from the Infrastructure Sales tax budget and this funding source requires that the County retain ownership. It is contemplated that the County will issue an RFP for a developer to construct, operate and maintain the project for transitional housing in support of existing County programs. Staff is recommending that the Board conceptually approve the use of the property for this purpose. Staff will proceed to work through these issues and provide a refined proposal, including preparation of an RFP for the developer or developer/operator, to the Board through a future agenda item.

If this test case proves the viability of the small lot form of development, then Staff would recommend pursuing code changes within the municipalities and unincorporated areas to facilitate this form of housing development. We envision outreach efforts to the municipalities about this form of development and how it can assist in meeting their affordable housing and redevelopment objectives. Staff will also undertake outreach to not for profit agencies, as well as developers looking for opportunities to satisfy their affordable/workforce housing requirements to raise awareness of this form of development and to generate support for the code changes required to facilitate this form of development on a larger scale.

As you can see, this will be a multi-phase process which will take time to successfully implement. In the interim, we will continue to evaluate the suitability of other County owned surplus properties for this purpose and work with the cities to begin a centralized database of properties which have the potential for this form of development.

TWP 44

22

TWP 44

23

TWP 44

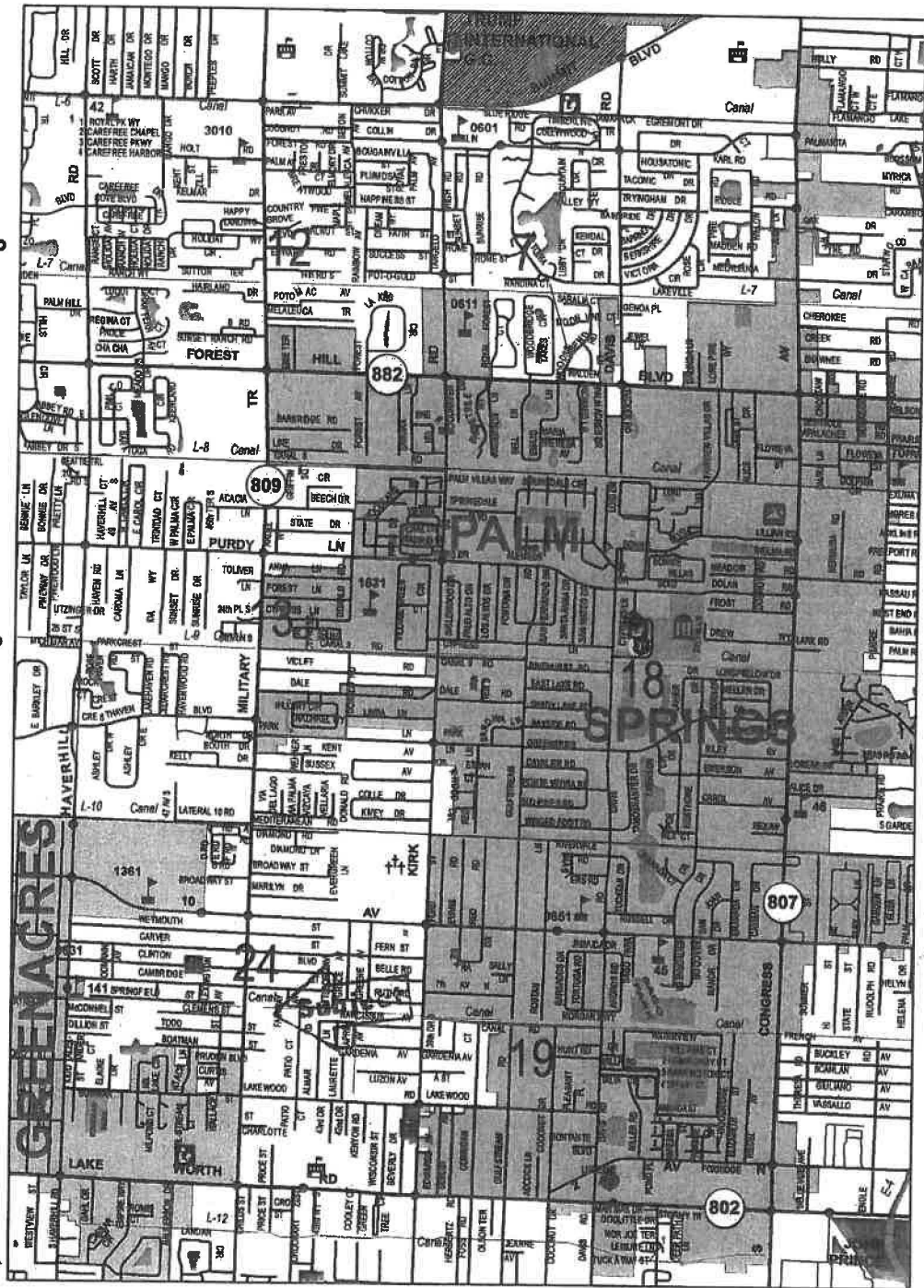
24

RNG 42

See pg 90

RNG 43

Page 80



LOCATION MAP



ATTACHMENT # 5

Agenda Item #: 9:30 a.m.

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

WORKSHOP SUMMARY

Meeting Date: February 26, 2019

Department: Administration

I. EXECUTIVE BRIEF

Title: Housing Units for Homeless, Extremely Low & Low Income-IST Project Plan

Summary: Staff was directed to develop a proposal for the use of the \$25,500,000 Infrastructure Sales Tax (IST) funding allocated by the Board for housing units for Homeless, Extremely Low and Low Income. The attached white paper accomplishes that direction and provides a proposed four (4) Project Plan components and allocations of the IST funding. As proposed, the Project Plan includes the following initiatives: (1) Cottage Homes-\$4,000,000; (2) Tax Deed/Seed Funding-\$2,500,000; (3) Mixed Income Development-\$14,000,000 and Municipal Incentive Funding-\$5,000,000. Staff is seeking Board direction on the proposed four (4) Project Plan components and allocation of the \$25,500,000 IST funding. Since the \$25,500,000 is received at \$2,550,000, annually for 10 years, Staff intends to use the Board direction and priorities to develop a time specific funding plan which will reflect the anticipated receipt of the IST funding. (Housing & Economic Sustainability/Community Service)Countywide (DB)

Background and Policy Issues: On November 8, 2016, the voters of Palm Beach County approved an Infrastructure Surtax Project Plan for one cent, maximum 10 years beginning January 1, 2017 (or if the surtax generates \$2.7 billion before September 1st of any year), creation of an oversight committee to audit spending for compliance with approved projects, and the following allocations: 50% to the School District, 30% to the County, and 20% to the Municipalities. On April 4, 2017, the Board approved the County's project list of approximately \$709 million to be funded from the proceeds of the infrastructure surtax. The plan included an annual allocation of \$2,550,000 for housing units for the homeless, extremely low income and low income totaling \$25,500,000 over the 10-year period.

Attachments:

1. Housing Units for Homeless, Extremely Low & Low Income
IST Project Plan White Paper

Recommended by:  2/20/19
Assistant County Administrator Date

Approved By:  2/21/19
County Administration Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| | | | | | |
|------------------------|--|--|--|--|--|
| Fiscal Years | | | | | |
| | | | | | |
| Capital Expenditures | | | | | |
| Operating Costs | | | | | |
| External Revenues | | | | | |
| Program Income(County) | | | | | |
| In-Kind Match(County) | | | | | |
| NET FISCAL IMPACT | | | | | |
| #ADDITIONAL FTE | | | | | |
| POSITIONS (CUMULATIVE) | | | | | |

Is Item Included in Current Budget? Yes No
Does this item include the use of federal funds? Yes No


Budget Account No:
Fund Agency Organization Object


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

C. Departmental Fiscal Review:

III. REVIEW COMMENTS:

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


OFMB Fiscal 2/20/19
2/20 2/20 2/20


Contract Dev. & Control 2/20/19

B. Legal Sufficiency


Assistant County Attorney 2/20/19

C. Other Department Review

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

February 25, 2019

To: Honorable Mayor Mack Bernard and
Members of the Board of County Commissioners

From: Faye W. Johnson, Assistant County Administrator
Nancy Bolton, Assistant County Administrator

Re: **Housing Units for Homeless, Extremely Low & Low Income**
IST Project Plan — February 26, 2019 Workshop

This white paper's primary objective is to get Board direction on the proposed four (4) Project Plan components and allocation of the \$25,500,000 Infrastructure Sales Tax (IST) funding for "Housing Units for Homeless, Extremely Low and Low Income". It identifies the method of operation, the proposed operating entity, and the potential funding source for the operational costs. Staff intends to use the Board direction to develop the time specific funding plan and bring it back to the BCC for approval at a later date.

Background

As has been discussed at length in various housing forums, there are numerous factors which drive up the cost of housing, including land availability/cost, construction cost, and regulatory requirements. Component costs include low usable density, low lot coverage (setbacks, buffering, pervious area and so on), lengthy approval processes, extension of infrastructure (roads, water sewer, drainage) and impact fees to name the most commonly cited. To further address level of service deficiencies in the areas of homeless, extremely low and low income housing services, the Board allocated \$31,200,000 from the one-penny sales tax revenue and directed staff to bring back a proposal for the use of the funds to address this need. As presented at the December 4, 2018 BCC meeting, \$5,700,000 of the funds has been allocated to the second Housing Resource Center (HRC2), which is a separate IST Project. Staff intends to bring back a proposal on the HRC2 to the Board at the June 26, 2019 workshop.

This Project Plan is presented for the Board's discussion and direction on the remaining \$25,500,000 IST funding. The four (4) Project Plan Components are designed to take a multi-pronged approach to assist in reducing the shortage of affordable-workforce housing for homeless, extremely low and low income individuals and families. Household incomes cannot exceed 80% of the County's Area Median Income (AMI) in place at the time the projects are implemented. Based on the current AMI of \$74,300, the maximum household income would be \$61,500 (adjusted for family size). IST funding began to accrue in FY 17 and budgetary allocations are anticipated to be received in annual increments of \$2,550,000 for ten (10) years. The Board should keep in mind that in all cases where IST funding is utilized, there is a statutory requirement for the property/building to remain in the ownership of the County, City or Housing Authority. It should also be noted that IST funding cannot be used for operations or operating costs in any scenario. All operating costs would need to be from a source other than IST funding.

Plan Overview

This IST Project Plan is premised primarily on a partnership between the County and the local Housing Authorities, and also includes Nonprofits and Municipalities to a lesser extent. In March of 2018, the Board held an inaugural roundtable discussion with the seven local Housing Authorities: Belle Glade, Boca

Raton, Delray Beach, Riviera Beach, West Palm Beach and Palm Beach County. Collectively, the Authorities reported a combined waiting list of more than 11,000 for housing units and over 5,000 for housing vouchers. The County’s partnership with the Housing Authorities, along with other stakeholders, is essential to addressing the critical need for safe, decent and affordable housing. The Authorities typically serve clients earning incomes under 80% of area median income which is the target income group of the IST Project Plan. In addition, the Housing Authorities also engage in special projects and development activities. Staff believes their experience and expertise could be utilized to assist the County to successfully implement the IST Project Plan. This IST partnership could also help fulfill the Board’s commitment to strengthen communication and coordination with the local Housing Authorities. The proposed four (4) components and IST funding amounts, outlined in Attachment 1 and summarized herein, include the following:

- Cottage Homes: (\$ 4,000,000)
- Tax Deed & Incentive Funding: (\$ 2,500,000)
- Mixed Income Development: (\$14,000,000)
- Municipal Incentive Funding: (\$ 5,000,000)

Project Plan Four (4) Program Components

(1): Cottage Homes

Development Overview.

Current land development regulations have been crafted to address issues associated with ever expanding suburban development and in an attempt to make development pay for itself while delivering substantial homeowner amenities. The result is that the majority of new housing units in the unincorporated area of the County have been developed within a series of master planned communities with an overall density that rarely achieves or exceeds 5 units per acre (the suburban form of residential development). The suburban form of development is not affordable for a large segment of the general population. Compounding this is the scarcity of raw land left within the Urban Service Area for new construction. What does remain is largely at the western fringe in areas with limited services.

Staff believes the inclusion of a more traditional form of development in unincorporated areas could be successful. Offering modest size (25’ - 30’ x 100’) lots could assist our efforts to facilitate development of housing products that are within the economic reach of the extremely low and low income segments of the local population. This form of development is most commonly associated with the urban areas of West Palm Beach, Lake Worth, Boynton Beach, and Delray Beach (including some aging unincorporated areas), which at the time of development did not face many of the previously mentioned component costs. There are numerous areas within municipal and adjacent unincorporated areas where such lots remain in place and are served by existing infrastructure. Because these lots were previously platted with higher density (20 units/acre not being atypical) and are thus vested in their current configuration, no series of development approvals or lengthy review procedures are required. Such projects can proceed straight to building permit review and issuance. Setbacks on those lots can be reduced below current zoning standards to dimensions that are proportionate to the width and depth of each individual lot. The relatively modest size of the resulting unit reduces land and construction costs and the ongoing expenses of home ownership thereafter. The local market appears to accept this smaller lot form, as there are

several privately funded projects in pockets throughout the urban service area of the County which have been developed in the last few years with market prices in a range of \$150,000- \$200,000 per unit.

The Cottage Homes project will be located on the County-owned property which previously housed the Lake Worth Tax Collector's Office on Military Trail south of 10th Avenue North. Authorization to demolish the existing building and re-use the property for the project was approved by the BCC at the September 26, 2017 Board meeting. The project is intended to showcase how a small lot form of development could address housing affordability and gracefully integrate with other residential structures of all sizes. Following the project's completion, staff recommends pursuing code changes in the unincorporated areas and within the municipalities that do not have codes which support this form of development in order to support these affordability objectives.

Development and Operations Overview

The cottages will serve families with children under the age of 18 who are homeless as documented through the Coordinated Entry system, score no higher than a 3 on the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT) and are taken from the by-name acuity list. The VI-SPDAT is used for both singles and families to determine risk and prioritization when providing assistance to homeless and at-risk of homelessness persons. The VI-SPDAT helps identify and prioritize who should be recommended for each housing and support intervention, moving the discussion from simply who is eligible for a service intervention to who is eligible and in greatest need of that intervention. Families within this category are typically working and have a semi-structured support system. It is estimated that each family will stay an average of 21 months but no longer than 24 months. Family size will be limited to two people per bedroom. Tenants of rental units developed using IST (i.e. Cottage Homes) would be permitted to use Tenant Based Rental Assistance (TBRA), to rent eligible units, in accordance with the Federal Regulations.

Staff recommends that a single Request for Proposal (RFP) be solicited among all Housing Authorities¹ which exist in Palm Beach County. The RFP would offer to convey the property and up to \$4,000,000 to accomplish the development of the Cottage Home Project. The RFP would set forth the minimum number of units to be constructed, the min and max square footage for each unit, and other key design considerations. Due to the use of IST funding, the property and improvements must always remain in Housing Authority ownership and as such, the units would all be rentals. The RFP would also require the Housing Authorities to be responsible for the perpetual maintenance of the project, renewal/replacement, operation and provision of wrap around services. Proposals would be evaluated on a number of selection criteria such as: 1) quality of units to be constructed; 2) funding assistance required for the operations; maintenance, renewal/replacement (if any), 3) quality and extent of wrap around services to be provided; 4) funding assistance required for wrap around services (if any), and 5) time to complete. The Housing Authorities may partner/contract with private parties and not for profit entities as necessary to fulfill the requirements of the RFP. IST dollars can only be used for capital improvements and cannot be used for operational costs. If funding assistance is required for operations,

¹ It is the opinion of County Attorney's Office that the County can convey property/improvements to a municipality or housing authority providing they contractually agree to follow all statutory requirements for IST funding as well as all statutory guidelines governing design (CCNA) and construction (competitive bidding). This would be accomplished by either; 1) a transfer restriction in the agreement indicating that any further sale of the property is subject to County prior approval, and/or 2) a recorded deed restriction placing owners on notice of the restriction.

maintenance, renewal/replacement and/or wrap around services, a non-IST funding source will be required.

(2): Tax Deed Surplus Property Conveyance & Incentive Funding

Housing Authorities Tax Deed Surplus Property Conveyance

The purpose of this Project Plan component is to increase the use of residentially zoned properties received by tax certificates for extremely low and low income individuals and/or families. Pursuant to this program, the County would use Housing Authorities² as the County's implementing entity, to convey parcels received through tax deeds that will accommodate three (3) or more units on the site for the production of single family and/or low density multi-family housing for extremely low, very low and low income individuals/families. Mixed income level projects (moderate through extremely low), not requiring IST funding, would also be considered. Housing Authorities may accept conveyance of tax deed property for affordable housing purposes subject to a deed restriction. Nothing in this option precludes the County from retaining buildable lots for the direct provision of for-sale attainable, affordable units.

Housing Authority Incentive Funding

This program subcomponent provides an additional source of funding to the Housing Authorities. A Housing Authority may seek incentive funding for properties other than those conveyed by tax deed. Likewise, a Housing Authority is not required to seek IST funding for improving a tax deed conveyed property. The County would issue an open request for funding from Housing Authorities (Proposer or Award Recipient) seeking incentive funding for homeless, extremely low or low income projects. The County would provide partial capital funding from allocated IST funding (the amount of the funding could be as high as 80% of the project capital costs associated with Housing Authority owned and operated housing projects serving the homeless). County IST funds could be used as a local match to State and Federal funding secured by a Housing Authority, which could include but is not limited to, LIHTC, Vouchers, SAIL, competitive grants, etc. Solicitations will continue until all IST funds allocated to this component were awarded. If IST funding is granted for a project, the land and improvements must remain in Housing Authority ownership.

Operations Overview

If no IST funds are requested/used, there is no operational requirement attached to this option as the property would be owned and become the responsibility of the owner. However, if the Housing Authority requests IST funds as incentive funding, then the land and units must remain in the Housing Authority's ownership and the costs of operation would be borne by the Housing Authority and must be accomplished through non-IST funding sources.

(3): Mixed Income Development

Development Overview

The purpose of this project is to use SURPLUS civic sites that are generally 10 acres or larger for the development of mixed income, single and multi-family units. For the purposes of this component, a

² See previous footnote

surplus civic site is referred to as a Parcel. The County would Issue a solicitation to Housing Authorities as developers of a Parcel to master plan the entire Parcel for a mixed income (extremely low, very low, low) affordable, workforce single family and other low density multi-family housing³ along with all common amenities. Mixed income level projects, moderate through extremely low, will be more favorably considered and would require non-IST funding for the moderate-income units. The Housing Authorities would be encouraged to partner with not for profits for the development and on-going management of the property. The units would include permanent supportive housing for those persons with extremely low and very low income, including those on a fixed income such as social security or social security disability.

The County would donate the Parcel and be responsible for securing the appropriate zoning to accomplish the project. The RFP respondent would propose a mixed unit development specifically identifying: 1) the number of units for each income category; 2) a conceptual plan identifying the layout of the units demonstrating how units identified for each income level will be dispersed throughout the entire development and how the Project will transition to the adjacent market rate developments; 3) the funding required; 4) approach to the delivery of the units; 5) the amount of capital funding assistance required for the construction of the extremely low, very low and low income units; 6) the plan for managing the deed restrictions on the units to be sold; 7) the plan for managing the rental units compliant with the IST requirements; and 8) past experience and ability to successfully execute the Project. THE RESPONDENTS WILL NEED TO BE VERY CREATIVE IN THE MASTER PLANNING AND DESIGN OF THE PARCEL SO THAT THE UNITS FOR EACH INCOME LEVEL ARE DISPERSED, BUT ENSURE THAT IST FUNDING IS ONLY USED FOR THE CONSTRUCTION OF RENTAL UNITS DEED RESTRICTED TO EXTREMELY LOW, VERY LOW AND LOW INCOME INDIVIDUALS AND FAMILIES. IST FUNDING CAN NOT BE USED FOR SITE INFRASTRUCTURE, ANY UNIT TO BE SOLD, OR ANY UNIT NOT DEED RESTRICTED TO EXTREMELY LOW, VERY LOW, AND LOW INCOME INDIVIDUALS AND FAMILIES.

All units would be managed by the successful Housing Authority or its project property manager partner. There would be no County operational or on-going funding contribution. The County's funding of the land, zoning and costs of construction for the low, very low and extremely low units will be sufficient to maintain appropriate lease rates.

(4): Municipal Incentive Funding

Development Overview

The purpose of the Municipal Incentive Funding component is to encourage municipal participation in the siting, delivery and operation of housing for homeless, extremely low and/or low income individuals and families by allowing the municipality to make all decisions relating to siting, design, and construction of the project.⁴ The County's contribution would be funding in the form of a grant subject to the statutory use requirements for IST funding and the selection of design consultants. The grant would not be subject to repayment.

³ Market rate units will be allowed but may not exceed 20% of the units.

⁴ It is the opinion of County Attorney's Office that the County can provide IST funding or convey property/improvements where IST funding was used to a municipality or housing authority providing they contractually agree to follow all statutory requirements for IST funding as well as all statutory guidelines governing design (CCNA) and construction (competitive bidding). This would be accomplished by either; 1) a transfer restriction in the agreement indicating that any further sale of the property is subject to County prior approval, and/or 2) a recorded deed restriction placing owners on notice of the restriction.

The County would issue a series of solicitations for proposals from municipalities or municipality/Housing Authority partner teams (Proposer or Award Recipient) seeking incentive funding for homeless, extremely low or low income projects within their municipal limits. The County would provide partial capital funding (the amount of the funding would be as high as 80% of the capital costs associated with municipal owned and operated housing projects serving the homeless). Proposals for extremely low could receive 50% and low income housing projects could receive 40%. County funds could be used as a local match to State and Federal funding secured by a municipality, which could include but is not limited to, municipal IST funds, general funds, CDBG, HOME, HOPWA, competitive grants etc. Solicitations will continue until all IST funds allocated to this component were awarded.

Operations Overview

Responsibility for operating the units would be 100% the responsibility of the Award Recipient using whatever non-IST funding sources/donations are available to them. The solicitation will require that the Proposer identify the sources of funding for the operation.

Approach to Implementation

Facilities Development & Operation's (FDO) role in implementing the overall program will be to: 1) act as the lead in the development and management of the solicitation and/or negotiation of agreements for developers and/or operators of County-owned parcels, 2) act as the lead in the development of all agreements with other governmental entities; 3) prepare all documents relative to the transfer of land to another governmental entity, and 4) prepare a checklist of all applicable restrictions to each type of unit for use by Housing and Economic Sustainability and Community Services.

Housing and Economic Sustainability's role in implementing the overall program will be to: 1) administer executed developer agreements with other governmental entities to ensure that the other party is complying with the terms of the agreement, as appropriate 2) provide eligibility assistance to other governmental entities on determining individual and family eligibility, as appropriate 3) identify potential non-IST funding sources to implement the Large Mixed Income Development component, 4) monitor and evaluate the performance of the entities as appropriate, and 5) develop the form of a report to the BCC regarding the success of the programs. Specifically for the Cottage Homes component, DHES will be the prime "user" department for the Cottage Homes development RFP. DHES staff support for the administration of IST projects will be addressed through the budget process; as appropriate.

Community Service's role in implementing the overall program will be to: 1) administer executed agreements with contracted operators for County owned units in the Cottage Home and the Large Mixed Income Developments, 2) development of the program for how wrap around services are to be provided to all homeless individuals in each program component, 3) provide eligibility assistance to individual and family eligibility, as appropriate, 4) monitor and evaluate the performance of the entities as appropriate, 5) make annual funding recommendations for non-IST funding necessary to implement the wrap around and supportive services required, 6) vet and make housing placements to Cottage Home development as well as any other development that is restricted to homeless individuals and families, and 7) develop the form of a report to the BCC regarding the success of the programs. Specifically for the Cottage Homes component, Community Services will be the prime "user" department for the Cottage Homes operator RFP.

Attachments

1. Summary of Program Components

C: **Verdenia C. Baker, County Administrator**
 Jonathan Brown, Director Housing and Economic Sustainability
 Sherry Howard, Assistant Director Housing and Economic Sustainability
 James Green, Director Community Services
 Taruna Malhotra, Assistant Director Community Services
 Wendy Tippet, Director Human Services
 Audrey Wolf, Director Facilities Development & Operations
 Ross Hering, Director Property and Real Estate Management
 Eric McClellan, Director, FDO Strategic Planning
 Fernando DelDago, Director Capital Improvements
 James Brako, Assistant County Attorney
 David Behar, Assistant County Attorney

ATTACHMENT 1
SUMMARY OF PROGRAM COMPONENTS

| Program Component | Summary |
|--|--|
| Cottage Homes | <ul style="list-style-type: none"> a. Funding Level: <ul style="list-style-type: none"> i. \$600,000-\$900,000 - Value of Property ii. \$4,000,000 IST Funding b. Target Population: Homeless c. Ownership: LAND AND IMPROVEMENTS MUST REMAIN IN COUNTY⁵, MUNICIPAL OR HOUSING AUTHORITY OWNERSHIP SO LEASES ONLY. d. Development: Housing Authority Funding Agreement subject to terms of statute governing IST funding and following CCNA statutory requirements.⁶ e. Operation: Housing Authority |
| Housing Authority Tax Deed/Incentive Funding | <ul style="list-style-type: none"> a. Funding Level: Up to \$2,500,000 in IST funding for Improvements to real property with individual projects not to exceed 80% of project capital cost. Mixed income level projects (moderate through extremely low) will be considered, if no IST funding is required. b. Target Population: Extremely Low, Very Low and Low income Individuals and/or Families. c. Ownership: Housing Authority. PROPERTY CONVEYED WITHOUT IST FUNDING ASSISTANCE CAN BE SOLD SUBJECT ONLY TO ELIGIBILITY RESTRICTIONS. IF IST FUNDING ASSISTANCE IS RECEIVED, LAND AND IMPROVEMENTS MUST REMAIN IN HOUSING AUTHORITY OWNERSHIP SO THESE UNITS WOULD BE LEASE ONLY and would be subject to terms governing IST funding and following CCNA statutory requirements for the selection of design professionals and design-build contractors.⁷ d. Operation: Housing Authority (self-performed or contracted operator) |
| Mixed Income Development | <ul style="list-style-type: none"> a. Funding Level: Up to \$14,000,000 in IST funding for housing units to be deed restricted and leased to low, very low and extremely low income individuals and families. |

⁵ It is the opinion of County Attorney's Office that use of Infrastructure Sales Tax funding is for capital projects that constitute government facilities.

⁶ It is the opinion of County Attorney's Office that the County can convey property/improvements to a municipality or housing authority providing they contractually agree to follow all statutory requirements for IST funding as well as all statutory guidelines governing design (CCNA) and construction (competitive bidding). This would be accomplished by either; 1) a transfer restriction in the agreement indicating that any further sale of the property is subject to County prior approval, and/or 2) a recorded deed restriction placing owners on notice of the restriction.

| | |
|-----------------------------|---|
| | <ul style="list-style-type: none"> b. Target Population: Workforce, Affordable, Extremely Low and Low Individuals and/or Families. Mixed income level projects, moderate through extremely low, will be more favorably considered and would require non-IST funding for the moderate-income units. c. Ownership: Any unit and the parcel of land that underlies that unit that is funded IST proceeds will remain in the ownership of the Housing Authority and/or County and will be deed restricted to low, very low and extremely low income individuals and families. The remainder of the unit could be sold to private individuals and families meeting the workforce and affordable eligibility criteria. d. Operation: Housing Authority |
| Municipal Incentive Funding | <ul style="list-style-type: none"> a. Funding Level: \$5,000,000 b. Target population: Homeless (up to 80% IST funding on land and/or improvements), Extremely Low (up to 50% IST funding on land and/or improvements) and Low Income up to 40% IST funding on land and/or improvements) Individuals and families. c. Ownership: Municipality or Housing Authority subject to terms of statute governing IST funds and following CCNA statutory process. IMPROVEMENTS MUST REMAIN IN MUNICIPAL OR HOUSING AUTHORITY OWNERSHIP SO LEASES ONLY. d. OPERATION: Municipality or Housing Authority (self performed or contracted operator). |