Agenda Item #: 5C-1

## PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

# AGENDA ITEM SUMMARY

| Meeting Date: | January 10, 2023       | [ ] Consent<br>[ ] Ordinance | [X] Regular<br>[  ] Public Hearing |
|---------------|------------------------|------------------------------|------------------------------------|
| Department:   | Housing and Economic I | Development                  |                                    |

## I. EXECUTIVE BRIEF

# Motion and Title: Staff recommends motion to:

- A) approve an American Rescue Plan Act (ARPA) Response Replacement Fund award in the amount of \$2,358,001 to Neighborhood Renaissance, Inc.;
- **B)** approve an ARPA Response Replacement Fund award in the amount of \$409,500 to Riviera Beach Housing Authority;
- **C)** approve an ARPA Response Replacement Fund award in the amount of \$857,000 to Oikos Development Corporation;
- D) approve a budget transfer of \$3,624,501 in the ARPA Response Replacement Fund;
- E) direct staff to negotiate the loan agreements; and
- F) authorize the County Administrator, or designee, to execute the loan agreements, amendments thereto, and all other documents necessary for project implementation.

**Summary:** On September 12, 2022, the Department of Housing and Economic Development (HED) issued a Notice of Funding Availability (NOFA) HED.2022.2, making \$3,900,000 of County ARPA Response Replacement Fund funding available to provide housing for very low income households. This funding was made available to not-for-profit organizations, public agencies, and certain for-profit entities to use as gap funding for the development of new affordable housing to serve individuals and households whose incomes do not exceed fifty percent (50%) of the Area Median Income (AMI). All units must provide an increase in the total number of affordable housing units in the County. Applications were accepted on a first- come, first-eligible and first-funded basis. Staff is recommending funding approval for the following three (3) projects that met criteria for eligibility, responsiveness, and viability:

1) \$2,358,001 to Neighborhood Renaissance, Inc. to construct Coleman Park Renaissance, a 43-unit multi-family rental development located between 22<sup>nd</sup> Street and State Street along Tamarind Avenue in West Palm Beach. The project includes 12 units for tenants with incomes no greater than 50% AMI. The total development cost is \$19,146,252. The County also has awarded \$887,174 from other funding sources to assist with this project's development costs; Continued on Page 3

#### Background and Policy Issues: Continued on Page 3

#### Attachment(s):

- 1 Notice of Funding Availability HED.2022.2
- 2 Project Descriptions
- 3. Budget Transfer

| Recommended By: | Department Director | 1 9 2013<br>Date |
|-----------------|---------------------|------------------|
| Approved By:    | Com Qu. Mich        | 1/10/2022        |

**Assistant County Administrator** 

## II. FISCAL IMPACT ANALYSIS

## A. Five Year Summary of Fiscal Impact:

| Fiscal Years           | 2023      | 2024 | 2025 | 2026 | 2027 |
|------------------------|-----------|------|------|------|------|
| Capital Expenditures   |           |      |      |      |      |
| Operating Costs        | 3,624,501 |      |      |      |      |
| External Revenues      |           |      |      |      |      |
| Program Income         |           |      |      |      |      |
| In-Kind Match (County) |           |      |      |      |      |
| NET FISCAL IMPACT      | 3,624,501 |      |      |      |      |

| # ADDITIONAL FTE       | 0   |  |  |
|------------------------|-----|--|--|
| POSITIONS (Cumulative) | -0- |  |  |

# Is Item Included In Proposed Budget? Yes X No Does this Item include the use of Federal funds? Yes No No

Budget Account No.:

Fund 1164 Dept. 143Unit 310CObject 4900Program Code/PeriodFund 1164Dept. 143Unit 310HObject 8201Program Code/PeriodFund 1164Dept. 143Unit 310JObject 8201Program Code/Period

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

Approval of this agenda item will appropriate \$3,624,501 in County ARPA Replacement Projects Fund funding for three (3) affordable housing projects as follows: Neighborhood Renaissance Inc. (\$2,358,001), Riviera Beach Housing Authority (\$409,500), and Oikos Development Corporation (\$857,000)

C. Departmental Fiscal Review:

ne, Division Director II Valerie

#### III. REVIEW COMMENTS

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

1/9/2023

Contract Development and Cor FmA 19/23

X

B. Legal Sufficiency:

19/23 Falon hief Assistant County Attorney

C. Other Department Review:

Department Director

#### Summary: (continued from page 1)

- 2) \$409,500 to Riviera Beach Housing Authority to construct a four (4) unit multi-family rental development for tenants with incomes no greater than 50% AMI. The project will be located at 415 West Blue Heron Boulevard, Riviera Beach. The total development cost is \$819,000; and
- 3) \$857,000 to Oikos Development Corporation to construct Everglades Townhomes, a 60-unit multi-family rental townhome development located at 200 S. Barfield Highway, Pahokee. The project will include six (6) units for tenants with incomes no greater than 50% AMI. The total development cost is \$19,614,576.

All County-assisted units will remain affordable to tenants with incomes no greater than 50% of AMI for no less than 50 years. The funds will provided as a loan that will be forgivable at the end of a 50 year period if all terms are met. The funding agreements and related documents pursuant to these funds will be between the County and the entities identified herein or their respective successors and/or assigns. To facilitate project implementation, staff requests authorization for the County Administrator, or designee, to execute the loan agreements and related documents. These are County ARPA Response Replacement funds that do not require a local match. Districts 6 and 7. (HJF)

#### Background and Policy Issues: (continued from Page 1)

In response to the County's affordable housing crisis, the Board of County Commissioners created the ARPA Response Replacement Fund to increase the inventory of affordable housing throughout the County. The Very Low Income Housing Program was established to offer gap funding for shovel-ready housing development projects to increase the County's supply of affordable housing units for very low-income households.



# NOFA HED.2022.2 Very Low Income Housing Program

Funding applications will be accepted starting September 12, 2022 at 9:00am ending November 7, 2022 at 4:00pm

Applications will be funded on a first-come/first-eligible/first-funded basis



Attachment 1

# Very Low Income Housing Program (VLIHP)

#### 1. Program Overview

The Palm Beach County Board of County Commissioners (BCC), through the Department of Housing & Economic Development (HED), is offering gap funding for the development of affordable housing units or residential facilities serving Very Low Income individuals and households.

#### 2. Eligible Projects

Eligible projects are limited to: a) new construction including conversion of nonresidential property to residential eligible uses: and b) acquisition and rehabilitation of housing units or residential facilities that do not currently bear affordability requirements of any federal, state, or local program. <u>All projects must increase the</u> <u>local inventory of affordable housing units and/or residential facilities serving for</u> <u>Very Low Income individuals and households.</u> Eligible uses include permanent rental housing, transitional housing, emergency shelter facilities, and group homes. Homeownership projects are <u>not</u> eligible for funding through NOFA HED.2022.2. All projects must be completed and in service within 2 years of funding award.

#### 3. Eligible Applicants

Eligible applicants for funding through this NOFA are not-for-profit organizations, public agencies, and for-profit entities of which the majority owner/partner is a not-for-profit organization or public agency.

#### 4. Affordability Requirements

For an affordability period of no less than fifty (50) years, all housing units and residential facilities assisted with Very Low Income Housing Program (VLIHP) funds must be occupied by individuals or households whose incomes do not exceed fifty percent (50%) of the Area Median Income (AMI). Refer to Exhibit A for the income limits chart for 2022. Beneficiaries may include but are not limited to homeless, formerly homeless, and special needs populations including but not limited to disabled persons, veterans, seniors, victims of domestic abuse and youth aging out of the foster care system. Owner's tenant selection process must give preference to prospective tenants/clients referred through the Palm Beach County Community Services Department Coordinated Entry System and/or households seeking family reunification under the auspices of the courts or Department of Children and Families.

During the affordability period, rents and/or fees charged to tenant households/residents shall not exceed the 50% AMI rent limits depicted at Exhibit B. Rent limits will be adjusted annually by the County.

#### 5. County Funding Available

A total of \$3,900,000 in County funds is available under the VLIHP. The funding will be in the form of a forgivable loan that bears no interest and requires no payment of debt service. Contingent on successful compliance with all VLIHP requirements, the full amount of the loan principal will be forgiven at the conclusion of a fifty (50) year loan term. Should the borrower default on conditions of the loan during the term of the loan, the full amount of principal may become due and payable.

#### 6. Leveraging

There is no limitation of the amount of VLIHP funding that may be requested, however, all projects must demonstrate a minimum leveraging ratio of 1:1 County funds to other non-County development funding sources. Applicants must document commitments from all other sources of development funding, as well as from sources of any necessary operating subsidy.

#### 7. Location

The VLIHP is a countywide program. Projects can be located within any municipal or unincorporated area of Palm Beach County.

#### 8. Important Dates

- A. NOFA HED.2022.2 will be issued on Monday, August 15, 2022.
- B. Applications will be accepted starting <u>Monday, September 12, 2022 at</u> <u>9:00 am</u>.
- **C.** Applications will not be accepted after 4:00 pm on Monday, November 7, 2022.
- **D.** Funded projects must be completed within two (2) years from the date of the funding award.

#### 9. Application Submittal Requirements

- Applicants must complete the attached application for funding (Exhibit C) and provide for all application requirements at the time of application submittal. The application must provide all of the following:
- A. The name of project, name and address of the project developer organization, and the name, phone number and email address of a contact person.
- **B.** A detailed description of the project, including type and size number of additional housing units to be created and targeted beneficiaries. For

congregate housing facilities for non-related persons, include the number of beds for the proposed facility. Describe any related program or services that will be available to project residents. Identify the project location, the property control number (PCN) and provide a map indicating the project site.

- **C.** A detailed description of the developer/owner experience with the development and operation of projects similar to that proposed for funding.
- **D.** An organizational chart that identifies all parties that have an ownership interest in the developer/owner and proposed project.
- **E.** Evidence of site control for the entire project site(s) in the form of a fully executed contract for purchase of the property(ies), option to purchase, long-term lease, lease option, recorded deed, or recorded certificate of title.
- F. A detailed development pro forma that includes all project sources and uses of funding, and that identifies all proposed sources of County funding/subsidy. Include documentation supporting all proposed construction costs in the form of either an estimate of probable cost prepared by a licensed architect or by written price estimates from at least two (2) licensed contractors.
- **G.** Documentation evidencing availability of all sources of funding required for the non-County balance of the project development budget. Acceptable documentation includes documentation from the funding source(s) providing a firm or a conditional commitment to fund and identifying all terms and conditions
- **H.** A detailed 15-year operating pro forma that includes all project revenues, expenses, debt service, and reserves, and which explicitly states all assumptions. Projects are subject to a \$2,500 annual monitoring fee to be paid to the County.
- I. Documentation of availability of all sources of operating subsidy (if any), including project-based voucher subsidies.
- J. Provide a detailed project schedule including all development activities from pre-development through completion/occupancy, and indicating activity status at time of submittal.
- K. Identify the current zoning and land use for the project site, and identify all applicable development review processes including but not limited to: rezoning, zoning variances, future land use changes, comprehensive plan amendments, platting, site plan approval, and building permitting. Provide estimated dates/timeframes for all submittals, reviews, hearings, and approvals, and indicate the status of project applications in all such applicable development review processes.

#### 10. Submittal Format

Applicants must submit one (1) original wet-signed copy and two (2) photocopies of the application and all required documentation on single-sided paper no larger than 8.5" x 11" in a binder with tabbed/identified sections; and one (1) electronic copy of the application in pdf file format on a DVD or USB flash/jump drive.

#### 11. Contact Person

The HED contact person for matters relating to the Very Low Income Housing Program funding application is:

Jo Miller, Senior Planner, Strategic Planning Division Department of Housing & Economic Development 100 Australian Avenue, Suite 500 West Palm Beach, FL 33406 Phone: 561-233-3620 <u>E-mail: ejmiller@pbcgov.org</u>

#### 12. Application Review and Funding Recommendation

All applications in response to this NOFA must be submitted to HED. Applications will be reviewed by HED staff in the order they are received. HED staff shall review each application for eligibility and responsiveness to the NOFA submittal requirements. Applications determined by HED to be ineligible or unresponsive to the NOFA submittal requirements may re-apply and the resubmitted application will be processed in the order the resubmitted application is received. Applications determined, in the sole judgement of the County, to be eligible and responsive to all submittal requirements be considered for funding assistance on a first-come/first-eligible/first-funded basis, subject to funding availability.

#### 13. Funding Awards

All funding awards will be made by the Palm Beach County Board of County Commissioners.

#### 14. Cost Incurred by Applicants

All expenses involved with the preparation and submission of this application and any work performed in connection therewith shall be borne by the applicant.

#### 15. Proprietary/Confidential Information

Applicants are advised that all information submitted as part of, or in support of, this application will be available for public inspection after receipt, in compliance with Chapters 119 and 286, Florida Statutes, popularly known as the "Public

Records Law" and the "Government in the Sunshine Law", respectively.

#### 16. Non-Discrimination

It is the express policy of the Palm Beach County BCC that the County shall neither conduct business with nor appropriate funds to any entity that practices discrimination on the basis of race, color, national origin, religion, ancestry, sex, age, familial status, marital status, sexual orientation, gender identity or expression, disability, or genetic information. If awarded funds, the applicant agrees that the use or occupancy of any housing unit constructed on the Project site shall follow this policy. Palm Beach County provides equal housing opportunities to all individuals.

#### 17. Rules, Regulations, Licensing Requirements

Applicants shall comply with all laws, ordinances, and regulations applicable to Palm Beach County, including those applicable to conflict of interest and collusion. Applicants are presumed to be familiar with all federal, state, and local laws, ordinances, codes, and regulations.

#### 18. Disclaimer

All documents and information, whether written, oral or otherwise, provided by Palm Beach County relating to this document are being provided solely as an accommodation and for informational purposes only, and Palm Beach County is not making any representations or warranties of any kind as to the truth, accuracy or completeness, or the sources thereof. Palm Beach County shall have no liability whatsoever relating to such documents and information and all parties receiving the same shall not be entitled to rely on such documents and information, but shall have a duty to independently verify the accuracy of the information contained therein.

#### **19.** Public Entity Crime

As provided in Florida Statutes 287.132-133, by applying to the IFAHAP or performing any work in furtherance hereof, the applicant certifies that it, its affiliates, suppliers, subcontractors 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 36 months immediately preceding the date hereof. This notice is required by Florida Statutes 287.133(3) (a).

# Exhibit A. Income Limits Chart

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# Income Limits for West Palm Beach - Boca Raton Metropolitan Statistical Area

| Number of<br>Persons in<br>Household | 50% of AMI |
|--------------------------------------|------------|
| 1                                    | \$32,200   |
| 2                                    | \$38,800   |
| 3                                    | \$41,400   |
| 4                                    | \$46,000   |
| 5                                    | \$49,700   |
| 6                                    | \$53,400   |
| , 7                                  | \$57,050   |
| 8                                    | \$60,750   |

# FY 2022 Area Median Income: \$90,300

# Exhibit B. Rent Limits Chart (50% AMI)

| Unit Size  | Maximum Rent/Fee Amount |
|------------|-------------------------|
| 0 Bedroom* | \$805                   |
| 1 Bedroom  | \$862                   |
| 2 Bedroom  | \$1,035                 |
| 3 Bedroom  | \$1,196                 |
| 4 Bedroom  | \$1,335                 |
| 5 Bedroom  | \$1,472                 |

\*Includes maximum fee for a single bed in a congregate living facility.



# EXHIBIT C



# Notice of Funding Availability (NOFA) Very Low Income Housing Program (VLIHP) NOFA HED.2022.2

- A. <u>Name of Project / Name of Project Developer Organization / Contact Person</u> Information
  - (Name of project, name and address of the project developer organization, and the name, phone number and email address of a contact person.)
- B. Detailed Project Description

(Include detailed description of the project, including type and size number of additional housing units to be created and targeted beneficiaries. For congregate housing facilities for non-related persons, include the number of beds for the proposed facility. Describe any related program or services that will be available to project residents. Identify the project location, the property control number (PCN) and provide a map indicating the project site.)

C. <u>Describe Developer/Owner experience with the development and operations of</u> <u>similar projects</u>

(Include a detailed description of the developer/owner experience with the development and operation of projects similar to that proposed for funding.)

D. <u>Attach organizational chart that identifies all entities that have an ownership in the proposed project</u>

(Provide an organizational chart that identifies all parties that have an ownership interest in the developer/owner and proposed project.)

E. Attach Evidence of Site Control

(Provide evidence of site control for the entire project site(s) in the form of a fully executed contract for purchased of the property(ies), option to purchase, long-term lease, lease option, recorded deed, or recorded certificate of title.)

F. <u>Attach a Detailed Development Pro Forma Including All Sources and Uses of</u> <u>Funding Including all Proposed Sources of County Funding/Subsidy</u>

(Attach a detailed development pro forma that includes all project sources and uses of funding, and that identifies all proposed sources of County funding/subsidy. Include documentation supporting all proposed construction costs in the form of either an estimate of probable cost prepared by a licensed architect or by written price estimates from at least two (2) licensed contractors.)

G. <u>Attach Documentation of Availability of All Non-County Funding Sources</u> (Provide documentation evidencing availability of all sources of funding required for the non-County balance of the project development budget. Acceptable documentation includes documentation from the funding source(s) providing a firm or a conditional

commitment to fund and identifying all terms and conditions.)

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#### H. Attach Detailed 15-Year Operating Pro Forma

(Attach a detailed 15-year operating pro forma that includes all project revenues, expenses, debt service, and reserves, and which explicitly states all assumptions. Projects are subject to a \$2,500 annual monitoring fee to be paid to the County.)

#### I. Attach Availability of Operating Subsidy (if applicable)

(Provide documentation of availability of all sources of operating subsidy, if any, including project-based voucher subsidies.)

#### J. Attach Detailed Project Schedule

(Provide a detailed project schedule including all development activities from predevelopment through completion/occupancy, and indicating activity status at time of submittal.)

#### K. Provide Current Zoning and Land Use for the Project Site

(Identify the current zoning and land-use for the project site, and identify all applicable development review processes including but not limited to: re-zoning, zoning variances, future land use changes, comprehensive plan amendments, platting, site approval, and building permitting. Provide estimated dates/timeframes for all submittals, reviews, hearings, and approvals, and indicate the status of project applications in all such applicable development review processes.)

| Applicant: | By:<br>Print Name and Title |
|------------|-----------------------------|
| Signature: | Date:                       |

Applications must be signed by the CEO or the Executive Director for the organization.

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### **PROJECT DESCRIPTIONS**

#### Neighborhood Renaissance, Inc.

The project will entail the new construction of a 43-unit multi-family rental development on four (4) scattered site locations between 22<sup>nd</sup> Street and State Street along Tamarind Avenue in West Palm Beach. A three-story garden style apartment building will be constructed on each site location along with various amenities and commercial space. There will be a mix of thirteen (13) one, twenty-two (22) two and eight (8) three-bedroom units. Twelve (12) of the apartments to be created will be set aside to serve residents with very low incomes of 50% or below AMI. Of these twelve (12) units, six (6) will be one bedroom, one bath and six (6) would be two bedroom, two bath.

#### **Riviera Beach Housing Authority**

This project entails the new construction of a four (4)-unit housing development. The single building will house two (2) - one (1) bedroom/one (1)-bath units and two (2) - two (2) bedroom/one (1) bath units. The units will be rented to households that have an income at or below 50% AMI.

#### Oikos Development Corporation

The project consist of the new construction of a 60-unit multi-family rental development within the city limits of Pahokee, FL. The project will consist of 30 two (2)-bedroom units and 30 three (3) bedroom units located in five (5) buildings on the site of the demolished Everglades Hospital. Six (6) of the units to be created will be set aside to serve residents with very low incomes of 50% or below AMI. Of these six (6) units, three (3) will be two bedrooms and Three (3) will be three bedrooms.

#### BOARD OF COUNTY COMMISSIONERS PALM BEACH COUNTY, FLORIDA BUDGET TRANSFER

Page 1 of 1 BGEX-143-121222\*501

FUND 1164 - ARPA Response Replacement Fund

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

| ACCOUNT NUMBER | ACCOUNT NAME                     | ORIGINAL<br>BUDGET | CURRENT<br>BUDGET | INCREASE  | DECREASE  | ADJUSTED<br>BUDGET | EXPENDED/<br>ENCUMBERED<br>09/30/2022 | REMAINING<br>BALANCE |
|----------------|----------------------------------|--------------------|-------------------|-----------|-----------|--------------------|---------------------------------------|----------------------|
| EXPENDITURES   |                                  |                    |                   |           |           |                    |                                       |                      |
| 143-310C-4900  | Disaster Expenses                | 0                  | 9,240,000         | 0         | 3,624,501 | 5,615,499          | 0                                     | 5,615,499            |
| 143-310H-8201  | Contributions-None-Govts Agences | 0                  | 0                 | 2,358,001 | 0         | 2,358,001          | 0                                     | 2,358,001            |
| 143-310J-8201  | Contributions-None-Govts Agences | 0                  | 0                 | 409,500   | 0         | 409,500            | 0                                     | 409,500              |
| 143-310K-8201  | Contributions-None-Govts Agences | 0                  | 0                 | 857,000   | 0         | 857,000            | 0                                     | 857,000              |
|                | TOTAL EXPENDITURES               |                    |                   | 3,624,501 | 3,624,501 |                    |                                       |                      |

Department of Housing and Economic Development INITIATING DEPARTMENT/DIVISION Administration/Budget Department Approval OFMB Department - Posted

Signatures Date G 2013 q 19/23

By Board of County Commissioners At Meeting of :

January 10, 2023

Deputy Clerk to the Board of County Commissioners