

TO: ALL COUNTY PERSONNEL

FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR

PREPARED BY: DEPARTMENT OF HOUSING & ECONOMIC
SUSTAINABILITY (DHES)

SUBJECT: IMPACT FEE AFFORDABLE HOUSING ASSISTANCE
PROGRAM

PPM #: CW-F-036

ISSUE DATE
May 18, 2020

EFFECTIVE DATE
May 18, 2020

PURPOSE:

To establish how the availability of funds allocated for the Impact Fee Affordable Housing Assistance Program (IFAHAP) are publicized and how applicants for the receipt of such funding are reviewed, approved, and awarded such funds.

UPDATES:

Future updates to this PPM are the responsibility of the Director of DHES.

AUTHORITY:

- Resolution No. R2018-0605 (as may be amended);
- Guidelines for the IFAHAP as approved by the BCC on February 11, 2020; and
- Florida Housing Finance Corporation Multifamily Rental Programs Rent Limits.

DEFINITIONS:

Affordable Rental Housing: housing units with a rent rate where the sum of the actual tenant paid rent plus the cost of tenant paid utilities does not exceed the rent limit established for Florida Housing Finance Corporation Multifamily Rental Programs for Palm Beach County households whose incomes do not exceed 140% of Area Median Income.

Affordable For-Sale Housing and Affordable Individual Homes: fee simple housing units for which the total cost of mortgage principal plus interest, real estate taxes, property insurance, and homeowner association fees does not exceed 35% of the gross annual income of households whose incomes do not exceed 140% of Area Median Income.

BACKGROUND:

The IFAHAP was developed to implement direction of the BCC to secure a funding source for the creation of affordable housing. On November 17, 2009, the BCC adopted Resolution 2009-2013 the utilization of impact fee investment earnings on roads, parks, and public buildings to support affordable housing within Palm Beach County. On April 10, 2018, the BCC adopted Resolution 2018-0605 to repeal and replace R2009-2012.

During each budget development process, beginning Fiscal Year 2011 through Fiscal Year 2014, the BCC annually designated 50%, but no more than \$3 million of the projected investment earnings on roads, parks and public buildings impact fee fund balances for IFAHAP. Beginning Fiscal Year 2015, the BCC will annually designate 50% of the investment earnings realized during the prior year on the roads, parks and public buildings impact fee fund balances, but not to exceed \$3 million.

POLICY:

1. The BCC shall budget an amount equal to 50% of the investment earnings realized during the prior year on the roads, parks and public building impact fee fund balances, but not to exceed a total of \$3 million annually or adjusted accordingly, will be appropriated for eligible affordable housing development. The annual budget allocation shall be established as part of the County's mid-year budget amendment process.
2. The BCC will establish the appropriate funds for each impact fee type and impact fee benefit zone to be used to provide impact fee assistance for eligible affordable housing development.
3. Investment earnings on impact fee fund balances appropriated to provide impact fee assistance for affordable housing shall only be expended to pay impact fee assessments within the impact fee benefit zone from which the fees were collected.
4. In the event any amounts budgeted for affordable housing impact fee assistance are not allocated to a specific project within two (2) years of budgeting and fully expended within four (4) years, then such funds shall be deemed unallocated and shall be returned to the respective impact fee benefit zone trust fund.

RESPONSIBILITIES:

The responsibilities for compliance with the procedures set forth herein shall be shared by the Director of the DHES and the Director of the Office of Financial Management and Budget (OFMB) as indicated below.

PROCEDURE:

1. After the final budget is adopted, OFMB Budget Division shall establish the appropriate amounts in the respective IFAHAP by type and zone and notify DHES.

2. DHES shall advertise a Notice of Funding Availability that shall inform the general public of 1) the amount of IFAHAP funds available by impact fee type; and 2) the eligible impact fee benefit zones.
3. DHES shall accept applications year-round as long as funds are available. Eligible applicants shall include for-profit entities and non-profit entities who are seeking to build Affordable Rental Housing or Affordable For-Sale Housing. Eligible applicants shall also include individuals or households who are seeking to build Affordable Individual Homes for use as their principal places of residence. Principal place of residence is defined as that residential property where the owner has (or will acquire after construction) a local homestead exemption.
4. DHES shall review applications for completeness and only consider applications for projects where the applicant can demonstrate: 1) evidence of site control; 2) evidence of infrastructure availability for the project; and 3) evidence of ability to meet all IFAHAP deadlines.
5. DHES shall reserve funding for eligible projects in an amount not to exceed the estimated impact fee amount (as confirmed by the Impact Fee Manager), where funding is available of the appropriate type and in the appropriate impact fee benefit zone. DHES will provide written notification to the applicant of the funding reservation and applicable program requirements.
6. DHES shall present projects to the BCC for final approval, including authorization for the Mayor to execute the Certificate of Award constituting the IFAHAP assistance, and approval of budget transfers to move the approved amounts from the Reserve for IFAHAP Projects to Object 8201 (Contributions to other Non-Governmental entities). The Certificate shall provide only assistance towards payment of impact fees due on the BCC approved project, and shall not provide for the reimbursement of impact fees already paid, nor shall it provide any other redeemable value.
7. DHES shall prepare the IFAHAP Certificate to include the amount and form of IFAHAP funding assistance and the IFAHAP requirements associated with its use, including but not limited to requiring the recipient to obtain certificates of occupancy for all IFAHAP-assisted housing units within four (4) years of BCC final approval.
8. Affordable Rental Housing projects shall submit an annual affidavit to DHES certifying the affordability of housing units for a period of no less than 15 years.
9. Owner-occupants of fee simple residential units shall be required to submit annual homestead exemption to DHES for a period of 15 years.
10. As a precondition to release of the IFAHAP Certificate, DHES shall assure that the recipient has acquired marketable title to the project site. Once satisfied that the certificate holder has acquired marketable title, DHES shall release the IFAHAP Certificate in exchange for the receipt of a Declaration of Restrictions (DOR) in the form annexed to the

certificate from the recipient. DHES shall then record such DOR in the public records of Palm Beach County thereby creating an encumbrance on the property. The DOR shall include the IFAHAP requirements and restrictions for the project and the consequences that would result from non-compliance with the requirements and restrictions.

11. Upon receipt of the IFAHAP Certificate for a BCC approved project, the Impact Fee Manager shall provide written approval (original memorandum or e-mail) authorizing the actual amount and payment of the impact fees due. The authorized amount shall not include the amounts of any impact fees already paid. DHES shall prepare a Journal Voucher Transaction for the actual payment as if it had been made by the IFAHAP Certificate recipient.
12. HES shall receive and audit annual reports submitted by IFAHAP Certificate recipients, and shall insure that the IFAHAP requirements and restrictions imposed on each project are being complied with by such recipients.
13. Monitoring the IFAHAP reserves will be a shared responsibility by DHES, the Impact Fee Manager, and OFMB.



VERDENIA C. BAKER
COUNTY ADMINISTRATOR

Supersession History

1. PPM CW-F-036, effective 12/20/2012
2. PPM CW-F-036, effective 6/28/2018