

**Grantee: Palm Beach County, FL**

**Grant: B-09-LN-FL-0021**

**October 1, 2010 thru December 31, 2010 Performance Report**

**Grant Number:**

B-09-LN-FL-0021

**Obligation Date:****Grantee Name:**

Palm Beach County, FL

**Award Date:**

02/11/2010

**Grant Amount:**

\$50,000,000.00

**Contract End Date:**

02/11/2013

**Grant Status:**

Active

**Review by HUD:**

Submitted - Await for Review

**QPR Contact:**

Carlos Serrano

## Disasters:

### Declaration Number

NSP

## Narratives

### Executive Summary:

In recent years most planning and development has focused on the county's gradual western expansion and neglected the traditional central core of the county. As such many areas of the County are underutilized and provide great opportunities for redevelopment, including the Urban Redevelopment Area (URA). The URA consists of 25 square miles and was created in 2005 to focus the County's redevelopment and infill efforts by promoting economic growth; improving the present condition of infrastructure, investment and reinvestment in the area; and discouraging urban sprawl by directing development where resources exists.

The three activities planned under this application will target and provide housing benefits (rental and homeownership to 413 households with incomes which are at or below 120% of the County's MFI as follow:

- Second Mortgage Loan Program for which \$9.15 million is being requested will provide benefits to 148 households;
- Residential Redevelopment Program for which \$20.13 is being requested will provide benefits to 101 households; and,
- Neighborhood Redevelopment Program for which \$16.47 is being requested will provide benefits to 164 renter households.

### Target Geography:

As described in the Executive Summary, NSP2 funds will be limited to use in the Palm Beach County Urban Redevelopment Area (URA), the central urban core of the County which is physically and socially ripe for revitalization, and in need of assistance from the negative effects of the foreclosure crisis. The URA is located in eastern-central Palm Beach County, and is generally bounded by Community Drive on the north; Interstate 95 to the east; Haverhill and Jog Roads to the west; and Melaleuca Lane to the south. The following zip codes fall entirely, or partially within the URA: 33409; 33417; 33413; 33415; 33406; 33461; and 33463.

### Program Approach:

As previously stated, the purpose of the URA is to focus the County's redevelopment and infill efforts by promoting economic growth; improving the present condition of infrastructure, investment and reinvestment in the area; and discouraging urban sprawl by directing development where resources exists. The County's NSP2 Program has been designed to dovetail with these goals, while realizing the overall goal of HUD's NSP2 Program to stabilize and revitalize communities hard-hit by the recent economic and foreclosure crisis through removal of housing units from foreclosure and redevelopment of vacant or underutilized properties.

The three activities planned under this application will target and provide housing benefits (rental and homeownership to 413 households with incomes which are at or below 120% of the County's MFI. Of the 413 households slated to benefit from the programs to be undertaken, 139 households (90 renters and 49 homebuyers) will have incomes which is at or below 50% of the AMI, and 274 households (74 renters and 200 homebuyers) will have incomes between 51% and 120% of the County's AMI. The three activities are described in greater detail below:

1. Second Mortgage Program (\$9,150,000): provision of County NSP2 second mortgages to assist homebuyers in leveraging a 1st mortgage to acquire a foreclosed single family property for owner occupancy.
2. Residential Redevelopment Program (\$20,130,000): provision of NSP2 grants to subrecipient municipalities, public agencies, and private non-profits for the acquisition and rehabilitation of vacant and foreclosed properties to be used for subsequent affordable resale or rental.
3. Neighborhood Redevelopment Program (\$16,470,000): provision of low-interest conditional loans to private for-profit developers or partnerships between private-for profits and public or non-profit partners for the redevelopment of vacant properties into affordable multifamily rental housing with a focus on the production of housing for the low and very-low income groups (<50AMI) including formerly homeless families.

The quick removal of 249 foreclosed single-family homes from the market will help stabilize the housing market within the URA by arresting the deterioration in housing prices in the area, and will revitalize the neighborhoods of the URA by bringing working families back into vacant housing structures that will eventually exert a blighting influence on the community.

In terms of economic impact, aside from the boost to the housing sales services industry, it is anticipated that approximately 172 construction related jobs will be created from the activity being proposed for the redevelopment of residential structures for use as rental. Additionally, the local property tax base will increase either through the payment of taxes previously gone unpaid on foreclosures, and by taxes generated through new housing development and redevelopment of vacant housing. All of these benefits will be realized within three years of implementation of this project.

**Consortium Members:**

This NSP2 Program is NOT a consortium, but that of a single governmental entity: Palm Beach County, Florida.

**How to Get Additional Information:**

For additional information, please contact Edward W. Lowery, Director, Palm Beach County Department of Housing and Community Development, 100 Australian Avenue, Suite 500, West Palm Beach, FL 33406 (561) 233-3602 or elowery@pbcgov.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$13,400,000.00
Total CDBG Program Funds Budgeted	N/A	\$13,400,000.00
Program Funds Drawdown	\$101,877.44	\$101,877.44
Obligated CDBG DR Funds	\$0.00	\$4,250,000.00
Expended CDBG DR Funds	\$303,526.00	\$408,512.56
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

**Progress Toward Required Numeric Targets**

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$5,000,000.00	\$101,877.44
Limit on State Admin	\$0.00	\$0.00

**Progress Toward Activity Type Targets**

Activity Type	Target	Actual
Administration	\$5,000,000.00	\$4,250,000.00

**Progress Toward National Objective Targets**

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$12,500,000.00	\$2,287,500.00

**Overall Progress Narrative:**

Palm Beach County is undertaking 4 projects with the NSP2 award of \$50,000,000. All activities will be undertaken in the County's Urban Redevelopment Area.

1) 2nd Mortgage Program (Category A-\$9,150,000): This project provides 2nd mortgages to LH (Activity NS-21) and LMMI (Activity NS-20) homebuyers to leverage private sector 1st mortgages to acquire foreclosed properties for owner occupancy. The County has processed and pre-approved numerous clients for 2nd mortgages. These clients are currently searching for foreclosed properties and securing private sector 1st mortgages. HCD has approached HUD about revising the project to include NSP2 1st mortgages due to client difficulty in obtaining private 1st mortgages in the current lending environment, however, the County has been advised by HUD that it is not receptive to this proposal. Hence, the County is continuing to assist clients by aggressively soliciting lender participation in the NSP2 2nd mortgage program. No expenditures have been incurred under this project.

2) Residential Redevelopment Program (Category B-\$20,013,000): This activity makes available NSP2 grant funding available to Subrecipients for the acquisition and rehabilitation of single and multi-family housing for subsequent resale or rental to end-user households. A Request for Proposals making available the \$20,013,000 was published on November 13, 2010. A presubmittal conference was held on December 16, 2010 at which approximately 40 interested parties attended. To date, 34 organizations have registered with HCD and obtained a copy of the RFP. The deadline for submittal of proposals in response to the RFP is January 21, 2011. No expenditures have been incurred under this project.

3) Neighborhood Redevelopment Program (Category E-\$16,470,000): This project makes NSP2 loan funding available to Developers for the redevelopment (including acquisition, rehabilitation and new construction) of vacant or demolished properties into affordable multi-family housing. One Developer/activity was designated in the County's NSP2 application: the Community Land Trust of Palm Beach County's Davis Landings project. On November 16, 2010 a NSP2 loan agreement was executed with the Community Land Trust for \$4,523,066 for the redevelopment of a demolished property to create a new 25 unit multi-family development and related amenities. The balance of Neighborhood Redevelopment Program funding was made available via a Request for Proposals published on September 13, 2010. A presubmittal conference was held on September 29, 2010 which approximately 30 interested parties attended. 42 organizations registered with HCD and obtained a copy of the RFP. The deadline for submittal of proposals in response to the RFP is January 7, 2011. No expenditures have been incurred under this project.

4) Program Administration (\$4,250,000): This activity entails the ongoing NSP2 general planning and administrative functions of the Palm Beach County Department of Housing and Community Development. Expenditures have been incurred under this project as identified at activity NS2-10.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Administration	\$101,877.44	\$4,250,000.00	\$101,877.44
02, Financing Mechanism	\$0.00	\$9,150,000.00	\$0.00
03, Acquisition and Rehabilitation	\$0.00	\$20,130,000.00	\$0.00
04, Redevelopment	\$0.00	\$16,470,000.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

**Grantee Activity Number:** NS2-10

**Activity Title:** NSP2 Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

01

**Project Title:**

Administration

**Projected Start Date:**

02/11/2010

**Projected End Date:**

02/11/2013

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

Palm Beach County

**Overall**

**Oct 1 thru Dec 31, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$4,250,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$4,250,000.00
<b>Program Funds Drawdown</b>	\$101,877.44	\$101,877.44
<b>Obligated CDBG DR Funds</b>	\$0.00	\$4,250,000.00
<b>Expended CDBG DR Funds</b>	\$303,526.00	\$408,512.56
Palm Beach County	\$303,526.00	\$408,512.56
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

General administration and planning costs incurred in undertaking Palm Beach County's NSP2 Program.

**Location Description:**

Palm Beach County Department of Housing and Community Development, 100 Australian Avenue, Suite 500, West Palm Beach, FL 33406.

**Activity Progress Narrative:**

This activity entailed the planning and general administration of the NSP2 program by PBC Department of Housing and Community Development staff, including applicant intake and processing for the 2nd Mortgage Program and implementation of a Request for Proposals process for each the Residential Redevelopment Grant Program and the Neighborhood Rental Redevelopment Loan Program. A total of 3,177 staff hours were worked for NSP2 during the quarter.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures found.**

**Beneficiaries Performance Measures**

**No Beneficiaries Performance Measures found.**

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NS2-20

**Activity Title:** NSP2 Second Mortgage Loan Program-LMMI

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Activity Status:**

Under Way

**Project Number:**

02

**Project Title:**

Financing Mechanism

**Projected Start Date:**

02/11/2010

**Projected End Date:**

02/11/2013

**Benefit Type:**

Direct Benefit (Households)

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Palm Beach County

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$6,862,500.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$6,862,500.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
Palm Beach County	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Palm Beach County will provide 2nd mortgages to NSP2-eligible households in the 51-120% AMI income group to assist in the acquisition of vacant foreclosed and/or abandoned single-family homes for owner occupancy.

**Location Description:**

NSP2 funds will be limited to use in the Palm Beach County Urban Redevelopment Area (URA), the central urban core of the County which is physically and socially ripe for revitalization, and in need of assistance from the negative effects of the foreclosure crisis. The URA is located in eastern-central Palm Beach County, and is generally bounded by Community Drive on the north; Interstate 95 to the east; Haverhill and Jog Roads to the west; and Melaleuca Lane to the south. The following zip codes fall entirely, or partially within the URA: 33409; 33417; 33413; 33415; 33406; 33461; and 33463.

**Activity Progress Narrative:**

This activity provides 2nd mortgages to LMMI homebuyers seeking to acquire a foreclosed home for owner occupancy. A number of clients have been pre-approved for a NSP2 2nd mortgage and are in the process of searching for a foreclosed home and securing a private 1st mortgage. However, no acquisitions have been closed nor funds expended.

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Housing Units</b>	0	0/116

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Total Households	0	0	0	0/0	0/40	0/116	0
# Owner Households	0	0	0	0/0	0/40	0/116	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** NS2-21

**Activity Title:** NSP2 Second Mortgage Program-LH

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Activity Status:**

Under Way

**Project Number:**

02

**Project Title:**

Financing Mechanism

**Projected Start Date:**

02/11/2010

**Projected End Date:**

02/11/2013

**Benefit Type:**

Direct Benefit (Households)

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Palm Beach County

**Overall**

**Oct 1 thru Dec 31, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$2,287,500.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,287,500.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
Palm Beach County	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

The County will provide NSP2 second mortgages to households in the 0 - 50% AMI income group to assist in the acquisition of vacant foreclosed and/or abandoned single-family homes for owner occupancy.

**Location Description:**

NSP2 funds will be limited to use in the Palm Beach County Urban Redevelopment Area (URA), the central urban core of the County which is physically and socially ripe for revitalization, and in need of assistance from the negative effects of the foreclosure crisis. The URA is located in eastern-central Palm Beach County, and is generally bounded by Community Drive on the north; Interstate 95 to the east; Haverhill and Jog Roads to the west; and Melaleuca Lane to the south. The following zip codes fall entirely, or partially within the URA: 33409; 33417; 33413; 33415; 33406; 33461; and 33463.

**Activity Progress Narrative:**

This activity provides 2nd mortgages to LH homebuyers seeking to acquire a foreclosed home for owner occupancy. A number of clients have been pre-approved for a NSP2 2nd mortgage and are in the process of searching for a foreclosed home and securing a private 1st mortgage. However, no acquisitions have been closed nor funds expended.

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Housing Units</b>	0	0/27

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Total Households	0	0	0	0/27	0/0	0/27	0
# Owner Households	0	0	0	0/27	0/0	0/27	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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