

**Grantee: Palm Beach County, FL**

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

**January 1, 2011 thru March 31, 2011 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:**

Reviewed and Approved

**QPR Contact:**

Edward Lowery

**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 441 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 143 households;
- Residential Redevelopment Program for which \$20.13 is being requested will provide benefits to 71 households; and,
- Neighborhood Redevelopment Program for which \$16.47 is being requested will provide benefits to 227 renter households.

PALM BEACH COUNTY IS IN THE PROCESS OF REQUESTING AN AMENDMENT TO ITS NSP2 APPLICATION TO EXPAND THE SCOPE OF THE FINANCING MECHANISM ACTIVITY TO INCLUDE ADD PROVISION OF 1ST MORTGAGES IN ADDITION TO EXISTING 2ND MORTGAGE PROVISION.

**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 441 households with incomes which are at or below 120% of the County's MFI. Of the 441 households slated to benefit from the programs to be undertaken, 188 households will have incomes which is at or below 50% of the AMI, and 253 households 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 214 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

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$42,594,825.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$42,594,825.00
<b>Program Funds Drawdown</b>	\$0.00	\$101,877.44
<b>Program Funds Obligated</b>	\$0.00	\$4,250,000.00
<b>Program Funds Expended</b>	(\$77,858.75)	\$330,653.81
<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

**Progress Toward Required Numeric Targets**

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

**Progress Toward Activity Type Targets**

<b>Activity Type</b>	<b>Target</b>	<b>Actual</b>
<b>Administration</b>	\$5,000,000.00	\$4,250,000.00

**Progress Toward National Objective Targets**

<b>National Objective</b>	<b>Target</b>	<b>Actual</b>
<b>NSP Only - LH - 25% Set-Aside</b>	\$12,500,000.00	\$17,708,413.50

## Overall Progress Narrative:

During the 1/1/11 - 3/31/11 quarter, Palm Beach County made significant progress in moving the NSP2 Program forward, particularly in terms of the Redevelopment (E) and Acquisition/Rehabilitation (B) activities: The Neighborhood Rental Redevelopment Loan Program (NRRLP) RFP process was completed by which Developers were selected to undertake the redevelopment of vacant or demolished properties for construction for affordable multi-family rental housing. 7 proposals were received by the RFP deadline, 5 of which were determined to be Responsive and were presented to a Selection Committee for consideration. The Committee met in a public meeting on February 7, 2011, and made recommendations for \$11.9M in NSP2 NRRLP funding for 2 projects that would result in the creation of 200 new affordable MF units. The PBC Board of County Commissioners approved NRRLP funding awards on March 1, 2011. At present, NSP2 loan agreements are being drafted for the selected Developers, and will be completed during the 4/1/11 - 6/30/11 quarter.

The Residential Redevelopment Grant Program (RRGP) RFP process was completed by which subrecipients were selected to undertake acquisition and rehabilitation of foreclosed properties for affordable resale or rental. 9 proposals were received by the RFP deadline of January 21, 2011, and 4 of those were considered Responsive and eligible for funding consideration. The RFP Selection Committee held a public meeting on March 7, 2011, at which Responsive proposal were discussed and funding recommendations were made for 3 respondents to receive a total of \$12,724,825 in RRGF funds, out of the \$20,130,000 available for RRGF. The PBC Board of County Commissioners approved the RRGF funding awards on April 5, 2011. The balance of \$7,405,175 was recommended to be considered for other reprogramming for NSP2 Redevelopment projects solicited under the NRRLP RFP. Subsequently, the NRRLP Selection Committee reconvened and made funding recommendations for the \$7,405,175 to 1 additional NRRLP project and to increase funds to 1 NRRLP project, contingent on HUD approval of the proposed NSP2 amendment.

The aforementioned developers and subrecipients activities have been set up in then NSP2 Action Plan in DRGR and the Plan has been submitted to HUD for review and approval.

Additionally, HCD continues to make best efforts to move the Financing Mechanism forward, despite of the County's request to HUD to amend the activity to include 1st mortgages. Over 100 client applications have been accepted for funding, over 50 have been approved, but only 2 have closed due to clients' extreme difficulties in obtaining non-NSP 1st mortgages.

Palm Beach County is currently seeking HUD's approval of an Amendment to its NSP2 application in order to: expand the scope of the Financing Mechanism activity to include provision of NSP2 1st mortgages in addition to 2nd mortgages; and to reprogram \$7,405,175 NSP2 from the Acquisition/Rehabilitation activity to the Redevelopment activity.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Administration	\$0.00	\$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**

**Jan 1 thru Mar 31, 2011**

**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>	\$0.00	\$101,877.44
<b>Program Funds Obligated</b>	\$0.00	\$4,250,000.00
<b>Program Funds Expended</b>	(\$77,858.75)	\$330,653.81
Palm Beach County	(\$77,858.75)	\$330,653.81
<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:**

The County continued administrative functions of the NSP2 program during the 1/1/11 - 3/31/11 quarter. The quarterly expenditure above of -\$77,858.75 reflects an adjustment to correct expenditures reported on the 10/1/10-12/31/10 QPR. The correct expenditure to date is \$330,653.81.

**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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