

Grantee: Palm Beach County, FL

Grant: B-11-UN-12-0013

July 1, 2011 thru September 30, 2011 Performance Report

Grant Number:

B-11-UN-12-0013

Obligation Date:**Grantee Name:**

Palm Beach County, FL

Award Date:**Grant Amount:**

\$11,264,172.00

Contract End Date:

03/11/2014

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Kimberly Spence

Disasters:**Declaration Number**

NSP

Narratives**Summary of Distribution and Uses of NSP Funds:**

Palm Beach County will utilize the NSP3 allocation of \$11,264,172 to undertake four (4) activities, as follow:

First and Second Mortgage Program (Category A-Financing Mechanism): \$7,321,712 will be utilized to provide first and/or second mortgages to homebuyers to acquire and rehabilitate approximately 45 foreclosed single-family housing units for owner-occupancy. The activity will take place in Areas of Greatest need located in eastern Palm Beach County (Target Areas A, B, C, D, F, G).

Palm Beach County Housing Authority (Category B-Acquisition and Rehabilitation): \$1,408,021.50 will be provided to the Palm Beach County Housing Authority, acting as a subrecipient, to acquire and rehabilitate 6 foreclosed single-family homes for rental to 0-50% AMI households. The activity will be located in an Area of Greatest Need located in western Palm Beach County (Target Area E).

Pahokee Housing Authority (Category E-Redevelopment): 1,408,021.50 will be provided to the Pahokee Housing Authority, acting as a subrecipient, to construct 6 new rental housing units on vacant or demolished property at the Authority's McClure Village development. The activity will be located in an Area of Need located in the western area of Palm Beach County (Target Area E).

Program Administration: \$1,126,417 will be utilized by the County's Department of Housing and Community Development for general planning administrative expenses associated with the NSP3 Program.

How Fund Use Addresses Market Conditions:

The percentage of homes financed by subprime mortgage related loans in the seven (7) Target Areas were obtained from the NSP-3 Mapping Tool, which utilizes Home Mortgage Disclosure Act (HMDA) Census Tract data on high cost and highly leveraged loans from 2004-2007 for the identified Target Areas. Between 20 percent to 46 percent of the homes within the identified Target Areas were financed by subprime mortgages (Target Area A: 14.69 percent; Target Area B: 18.4 percent; Target Area C: 26.7 percent; Target Area D: 20.4 percent; Target Area E: 54.0 percent; Target Area F: 33.0 percent; and Target Area G: 46.8 percent). This range represents a high number of potential foreclosures in the future, which HCD considered a major factor in identifying Areas of Greatest Need for NSP-3 funding.

The percentage of low-and very-low income households in the Target Areas were obtained utilizing the NSP-3 Mapping Tool. Because the average percent of households falling below 80% AMI for Target Area E (Glades Region) is very high (75 percent), and the market conditions are not optimal for home ownership, HCD determined this region would benefit from a multi-family and/or single-family rental program. It was therefore determined that NSP-3 funds would be more effectively utilized to redevelop vacant property to increase the number of affordable rental units for eligible participants. Based on the fact that the estimated twelve (12) units are to be developed by Housing Authorities for their clients, they will be affordable. The other Target Areas exhibited higher income levels than Target E, and it was therefore decided that the population may be able to participate in a home ownership program, hence a First and Second Mortgage program was identified as beneficial to absorb foreclosed/REO property within these neighborhoods. The quick removal of 45 foreclosed single-family homes from the market will stabilize the housing market by arresting the decline in housing prices in the area.

Ensuring Continued Affordability:

In order to ensure continued affordability of all properties assisted with NSP-3 funds, an encumbrance will be placed on title to the property. This encumbrance will restrict the property's use to that specified by terms of the NSP-3 assistance and require the applicable affordability standards described above for an uninterrupted period of no less than twenty (20) years from the date of project completion for rental properties, and no less than fifteen (15) years for owner-occupied properties. The County may elect to require longer periods of affordability

given the amount and type of assistance provided to a specific project. The aforementioned encumbrances will be required and enforced regardless of the amount or type of NSP-3 assistance provided and regardless of any mechanism by which the NSP-3 financial interest is secured.

Furthermore, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the entire amount of the NSP-3 investment will be recaptured from the owner of the property.

The County will not participate with NSP-3 funds in a home purchase/sale when the resulting level of housing expense to the buyer is not affordable, and results in an unstable housing situation, potentially leading to foreclosure. In order to ensure affordability for each individual homebuyer assisted through NSP-3, in no instances shall the principal, interest, tax, insurance, and association fees (if any) exceed thirty-five percent (35%) of the homebuyer's annual household income.

Definition of Blighted Structure:

HCD accepts the definition of Blighted Structure within the "Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants" for NSP-3 as "a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare." When encountering the need to determine whether a structure is blighted, HCD will comply with the definitions and requirements of Ordinance 2003-051, an Ordinance of the Board of County Commissioners of Palm Beach County known and cited as the Property Maintenance Code of Palm Beach County.

Definition of Affordable Rents:

When determining affordable rent for any occupant of rental property purchased with NSP-3 funds, Palm Beach County will utilize the following methodology:

A rent, including utilities, which does not exceed thirty percent (30%) of a household's gross income.

The County will, in its agreement(s) with the subrecipient(s), stipulate the methodology to be used and will conduct monitoring of initial tenants and any new tenants to ensure proper maintenance of the units and continued affordability.

Housing Rehabilitation/New Construction Standards:

In order to ensure continued affordability of all properties assisted with NSP-3 funds, an encumbrance will be placed on title to the property. This encumbrance will restrict the property's use to that specified by terms of the NSP-3 assistance and require the applicable affordability standards described above for an uninterrupted period of no less than twenty (20) years from the date of project completion for rental properties, and no less than fifteen (15) years for owner-occupied properties. The County may elect to require longer periods of affordability given the amount and type of assistance provided to a specific project. The aforementioned encumbrances will be required and enforced regardless of the amount or type of NSP-3 assistance provided and regardless of any mechanism by which the NSP-3 financial interest is secured.

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Vicinity Hiring:

The First and Second Mortgage Program will comply with the vicinity hiring rules, as HCD will encourage all recipients of the NSP-3 funding, when faced with a choice between a qualified contractor/developer/job applicant located in the project area and a qualified contractor/developer/ job applicant from outside the project area, to select the qualified contractor/developer/ job applicant from inside the area.

For the Acquisition/Rehabilitation and Redevelopment activities, HCD will provide language in the subrecipient agreement stipulating that when faced with a choice between a qualified contractor/developer/job applicant located in the project area and a qualified contractor/developer/ job applicant from outside the project area, they should select the qualified contractor/developer/ job applicant from inside the area.

Procedures for Preferences for Affordable Rental Dev.:

The County's NSP3 Action Plan has budgeted \$2,816,043 for the development of affordable rental housing through Acquisition/Rehabilitation and Redevelopment activities to be undertaken by two local public housing authorities serving 0-50% AMI households.

Grantee Contact Information:

Edward W. Lowery, Director
Department of Housing and Community Development
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

Overall

This Report Period

To Date

Total Projected Budget from All Sources	N/A	\$11,264,172.00
Total CDBG Program Funds Budgeted	N/A	\$11,264,172.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$1,126,417.00	\$1,126,417.00
Program Funds Expended	\$1,050.00	\$1,050.00
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	\$1,689,625.80	\$0.00
Limit on Admin/Planning	\$1,126,417.20	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$1,126,417.20	\$1,126,417.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,816,043.00	\$2,816,043.00

Overall Progress Narrative:

Palm Beach County is continuing to undertake actions to further the progress of the three activities funded under the NSP3 Program. The actions are described in greater detail in the narrative for each of the activities.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
NS3-10, NSP3 Financing Mechanism	\$0.00	\$7,321,712.00	\$0.00
NS3-20, NSP3 Acquisition & Rehabilitation	\$0.00	\$1,408,021.50	\$0.00
NS3-30, NSP3 Redevelopment	\$0.00	\$1,408,021.50	\$0.00
NS3-40, NSP3 Administration	\$0.00	\$1,126,417.00	\$0.00

Activities

of Singlefamily Units

0

0/45

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/20	0/45	0
# Owner Households	0	0	0	0/0	0/20	0/45	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

Grantee Activity Number:	NS3-20
Activity Title:	NSP3 Palm Beach County Housing Authority

Activity Category:

Acquisition - general

Project Number:

NS3-20

Projected Start Date:

03/11/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

NSP3 Acquisition & Rehabilitation

Projected End Date:

03/11/2014

Completed Activity Actual End Date:

Responsible Organization:

Palm Beach County Housing Authority

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$1,408,021.50
Total CDBG Program Funds Budgeted	N/A	\$1,408,021.50
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Palm Beach County Housing Authority	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition and rehabilitation of at least 6 foreclosed single-family units by the Palm Beach County Housing Authority for affordable rental to LH households.

Location Description:

An Area of Greatest Need in western Palm Beach County identified in the NSP3 application as Target Area E.

Activity Progress Narrative:

Palm Beach County Housing Authority, the subrecipient carrying out the acquisition/rehabilitation activity, has been undergoing transition with the departure of its long time Executive Director. At the end of the quarter, a new Director was selected that has recently begun and is becoming acclimated with the program. HCD staff has been meeting with the PBCHA to refine the scope of the project and develop a grant agreement.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/6
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/6
# of Singlefamily Units	0	0/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/6	0/0	0/6	0
# Renter Households	0	0	0	0/6	0/0	0/6	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

Grantee Activity Number: NS3-30

Activity Title: NSP3 Pahoee Housing Authority

Activity Category:

Construction of new housing

Project Number:

NS3-30

Projected Start Date:

03/11/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

NSP3 Redevelopment

Projected End Date:

03/11/2014

Completed Activity Actual End Date:

Responsible Organization:

Pahoee Housing Authority

Overall

Jul 1 thru Sep 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$1,408,021.50
Total CDBG Program Funds Budgeted	N/A	\$1,408,021.50
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Pahoee Housing Authority	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Redevelopment of vacant/demolished property for new construction of at least 6 units of single-family (1-4 unit) housing for affordable rental to LH households by the Pahoee Housing Authority.

Location Description:

An Area of Greatest Need located in western Palm Beach County identified in the NSP3 application as Target Area E.

Activity Progress Narrative:

NSP3 funds were awarded the Pahoee Housing Authority for the redevelopment of multi-family rental housing units at the site of the agency's now demolished L.L. Stuckey Homes. The housing authority's design consultant is currently proceeding with design for the NSP3 redevelopment from non-NSP sources.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Low flow toilets	0	0/6
#Low flow showerheads	0	0/6
#Units & other green	0	0/6
# ELI Households (0-30% AMI)	0	0/0

This Report Period
Total

Cumulative Actual Total / Expected
Total

# of Housing Units	0	0/6
# of Singlefamily Units	0	0/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/6	0/0	0/6	0
# Renter Households	0	0	0	0/6	0/0	0/6	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	

Grantee Activity Number: NS3-40

Activity Title: NSP3 Administration

Activity Category:

Administration

Project Number:

NS3-40

Projected Start Date:

03/11/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

NSP3 Administration

Projected End Date:

03/11/2014

Completed Activity Actual End Date:

Responsible Organization:

Palm Beach County

Overall

Jul 1 thru Sep 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$1,126,417.00
Total CDBG Program Funds Budgeted	N/A	\$1,126,417.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$1,126,417.00	\$1,126,417.00
Program Funds Expended	\$1,050.00	\$1,050.00
Palm Beach County	\$1,050.00	\$1,050.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Costs incurred by PBC Housing and Community Development in performing general planning and administrative tasks associated with the NSP3 Program.

Location Description:

100 Australian Avenue, Suite 500, West Palm Beach, FL 33406

Activity Progress Narrative:

PBC Housing and Community Development continues to perform necessary administrative functions to implement the NSP3 Program.

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
