



# **Palm Beach County**

## **Neighborhood Stabilization Program 2 Residential Redevelopment Grant Program**

**Request for Proposals HCDNSP2.2011.1**

Pre-Submittal Conference

May 17, 2011



# Statement of Purpose

Soliciting proposals from eligible:

- Non-Profit Organizations
- Public Agencies (including Public Housing Authorities)
- Municipalities with existing Urban County Interlocal Agreements with PBC

Providing grant funding through the County's NSP2 Residential Redevelopment Grant Program for the purpose of acquiring and rehabilitating Eligible Residential Properties for resale or rental to income eligible households. Properties must be located within the County's Urban Redevelopment Area (URA).



# Background

- **July 2009** – Palm Beach County approves submittal of \$50M NSP2 grant application.
- **February 2010** – HUD awards the County the full \$50M and executes a grant agreement.
- **November 2010**—HCD publishes RRGP RFP for \$20.13M.
- **January 2011**—RRGP deadline
- **March 2011**—Selection Committee recommends \$12,724,825 RRGP funding for 5 projects.
- **April 2011**—BCC approves RRGP funding recommendations
- **May 2011**—HCD publishes second RRGP RFP for remaining \$7,405,175.



# Available Funding

- The RFP makes available **\$7,405,175** in NSP2 grant funding for the acquisition and rehabilitation of eligible properties for resale or rental.
- RRGF RFP Respondents may request any amount of funds up to the total amount available.
- The County reserves the right to award all, part, or none of the available funding to one or more Respondents.
- Board of County Commissioners will make all final funding decisions.



# Eligible Projects

Eligible projects are limited to acquisition and rehabilitation (if necessary), of Eligible Residential Properties for use as affordable **Permanent Housing\*** in the URA.

- Units may be single- and multi-family housing. However, eligible units do not include trailers or mobile homes.

**\*Permanent Housing** means housing which is intended to be the home buyer's primary residence; or housing which is intended to be the tenant's home under the limits of a signed legal lease document. Permanent Housing does not include transitional housing or emergency shelters as these are not eligible activities under the NSP2 program.



# Eligible Residential Properties

All residential properties to be acquired must have at least one bedroom and be vacant or owner occupied (but not renter occupied), and:

- acquired out of foreclosure, meaning directly from an entity that obtained title to the property through foreclosure.
- foreclosure proceedings in connection with the property have been initiated under state or local law.
- title to the property has been transferred to an intermediary aggregator or servicer (that is not an NSP grantee, contractor, subrecipient, developer, or end user) upon completion of foreclosure proceedings.
- the mortgage, or tax payments on such property must be at least ninety (90) days delinquent.
- the code enforcement officer with jurisdiction over the property has, upon an inspection, determined that the property is not habitable, and the owner has taken no corrective action within ninety (90) days of notification of the deficiencies.



# Eligible Residential Properties

*(Continued from previous slide)*

- the property is subject to a court ordered receivership or nuisance abatement related to abandonment pursuant to state or local law, or the property otherwise meets a state definition of an abandoned home or residential property.
- the property's current delinquency status is at least sixty (60) days delinquent under the Mortgage Bankers of America delinquency calculation, and the owner has been notified of this delinquency.
- the property owner is ninety (90) days or more delinquent on tax payments.

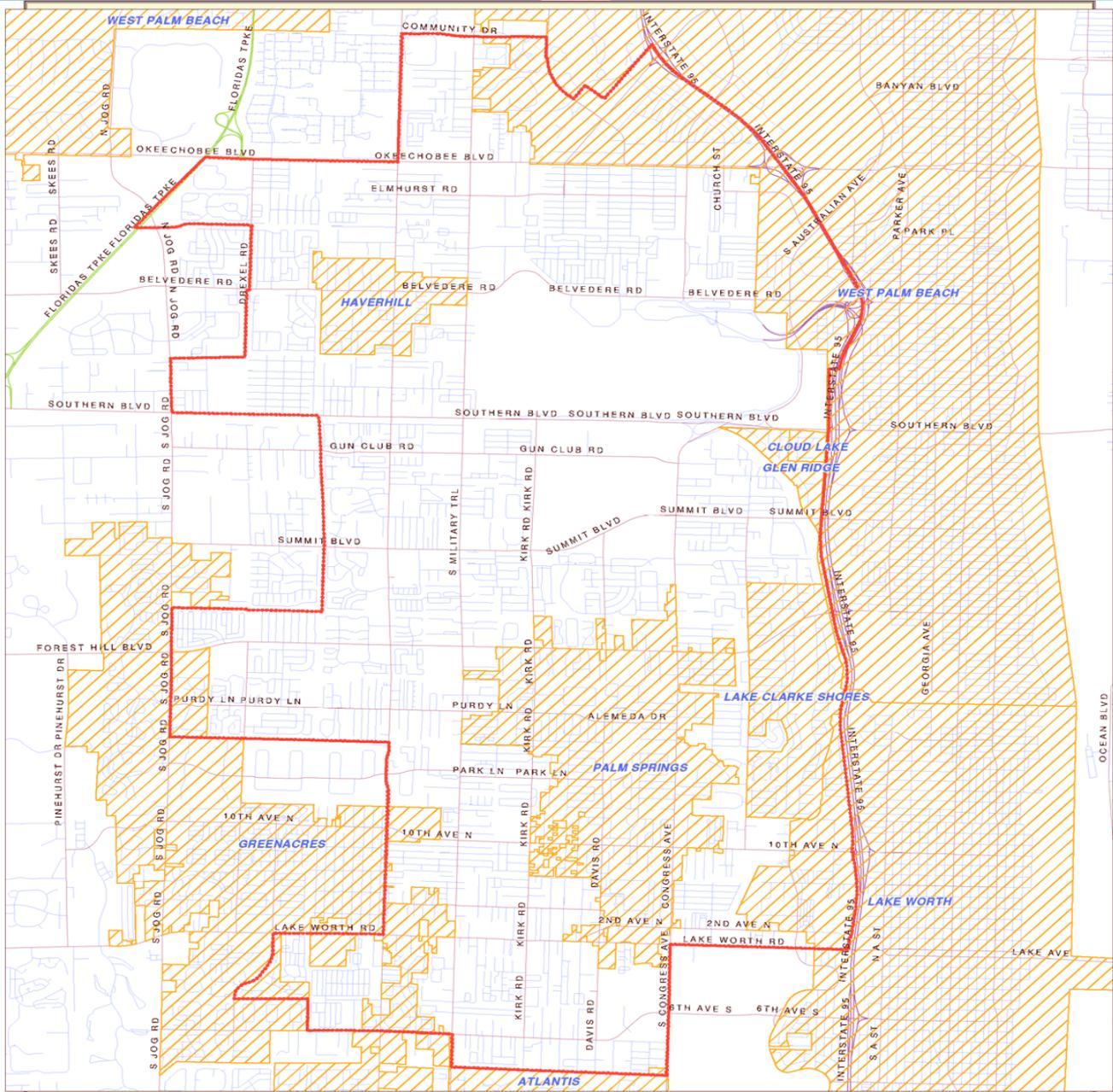
**In all cases, subrecipient(s) shall provide HCD documented evidence that the respective condition(s) have been met. Subrecipients are encouraged to identify for purchase, only those properties where title can be easily obtained.**



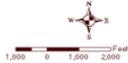
# Project Location Restriction

All properties assisted with NSP2 funding **must** be located within the Palm Beach County Urban Redevelopment Area (URA).

The URA is generally bounded by Community Drive to the north; I-95 to the east; Jog Road to the west; and the LWDD L-14 Canal to the south. See URA map for exact boundaries (at [www.pbcgov.com/hcd](http://www.pbcgov.com/hcd)).



Revision Date: 11/15/05  
 Contact: Audrey G. Reid  
 Filename: T:\Planning\LongRange\Rev\Maps\URA\URABoundary\Muric



-  Municipalities
-  URA Boundary
-  Water

**Planning, Zoning  
& Building**  
 100 Australian Avenue  
 West Palm Beach, FL 33409  
 Phone (561) 233-5300



Note: Map is not official, for presentations purposes only.



# Eligible NSP2 Project Costs

Allowable costs that may be funded with the RRGp grant funds, subject to approval, are:

- Property Acquisition
- Rehabilitation Costs
- Activity Delivery Fee
- Carrying Costs for Resale Properties
- Operating Costs for Rental Properties



# Acquisition and Rehabilitation

## Acquisition

- All properties acquired with NSP2 funds must be purchased at a minimum discount of 1% below the current appraised “as is” value.
- The maximum NSP2 funding for acquiring and rehabilitating an individual dwelling unit cannot exceed \$225,000.

## Rehabilitation

- Rehabilitation costs shall not exceed \$50,000 per unit for all housing types.



# Program Income

All proceeds minus eligible carrying and operating costs from the sale or rental of properties purchased with NSP2 funds will become program income and must be returned to the County. Program income from resale units must be reported/returned to the County at time of resale. Program income from rental units must be reported/returned to the County on a monthly basis.

If the subrecipient wishes to use program income to fund another NSP2 eligible activity, it must seek approval from the County to do so.



# Project Beneficiaries

- All housing units resulting from the RRGp must be sold or rented to households whose income is no more than 80% of the currently applicable Area Median Income (AMI).
- At least 50% of the funding awarded to selected Respondent(s) under the NSP2 RRGp must be used to provide housing to households at or below 50% of the AMI.



# Affordability Requirements

- All properties for resale must be sold at the current fair market value at time of resale. Notwithstanding the previous, the resale price of a NSP2-assisted unit shall not exceed acquisition plus rehabilitation cost. The County must approve the sale of all units.
- All NSP2 properties for resale must remain affordable for at least twenty (20) years. All NSP2 rental properties shall maintain Affordable Rental Rates for at least thirty (30) years.



# Rental Rate Requirements

All resulting rental units must be leased to eligible beneficiaries for the lesser of fair market rent for existing housing for comparable units in the area; or a rent (with utility allowance) that does not exceed thirty (30) percent of the adjusted income of an approved tenant household.

## FY 2011 FMRs By Unit Bedrooms

<b>West Palm Beach – Boca Raton, FL HUD Metro FMR</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>
	\$1,106	\$1,306	\$1,847	\$1,903

Source: Housing and Urban Development



# Expenditure Timeframe

In order for the County to meet expenditure requirements of the NSP2 Program:

- at least 50% of awarded NSP2 funding must be expended by **December 15, 2011**
- 100% of awarded funding must be expended by **November 15, 2012**



# Submittal Requirements

Proposal submittal requirements are delineated in the RRGF RFP, and include:

- Energy Efficiency Checklist
- Detailed Project Description
- Project Team's names, contact information, business affiliation, etc
- Organizational chart identifying the roles of all team members
- Respondent's past experience with similar activities and references
- Project budget detailing all sources and uses of funds: acquisition costs, rehabilitation costs, activity delivery costs, and carrying costs
- Operating budget for rental properties
- Litigation History
- Ability to secure additional financing
- Audited Financial Statements for non-profit organizations and public agencies
- Public Disclosure Statement
- Drug Free Workplace Certification
- Addenda Acknowledgement Form(s)



# Selection Criteria

A selection committee will be designated for evaluation of all responsive proposals received and will make award recommendations. Selection criteria will include:

- Respondent's qualifications/experience with similar projects (up to 30 points)
- Ability to meet required expenditure deadlines (up to 25 points)
- Quality of proposed implementation plan (up to 20 points)
- Method to identify and secure project beneficiaries (up to 15 points)
- Level of funding leveraging and commitment of other financing for the project (up to 5 points)
- Commitment to Green Energy Policies (up to 5 points)



# RRGP RFP Timeline

- RFP Publication: May 8 and 11, 2011
- Pre-Submittal Conference: May 17, 2011
- Submittal Deadline: May 27, 2011 at 12:00 pm
- Selection Committee Meeting(s): TBD
- BCC Meeting: TBD



# Questions?

All questions posed at this conference will be recorded, and answers will be posted on HCD's website.

**Thank you!**