Grantee: Palm Beach County, FL
Grant: B-11-UN-12-0013
January 1, 2012 thru March 31, 2012 Performance Report
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
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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
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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.

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
The County will use NSP3 funding to undertake three (3) activities in seven (7) target areas. The First and Second Mortgage Program will involve the acquisition of 45 foreclosed single family housing units for occupancy. The Acquisition and Rehabilitation Program, to be undertaken by the Palm Beach County Housing Authority, will entail acquisition and rehabilitation of 6 foreclosed properties for affordable rental to LH households. This activity will be located in the Glades Region of the County. The Redevelopment activity, to be undertaken by the Pahokee Housing Authority, will result in the construction of 6 rental housing units on vacant or demolished properties at the authority’s own McClure Village development. This activity is also located in the Glades Region of the County.

**Project Summary**

<table>
<thead>
<tr>
<th>Project #, Project Title</th>
<th>This Report Period</th>
<th>To Date</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Program Funds Drawdown</td>
<td>Project Funds Budgeted</td>
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<td>NS3-10, NSP3 Financing Mechanism</td>
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<td>$7,321,712.00</td>
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<td>Description</td>
<td>Amount 1</td>
<td>Amount 2</td>
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<tr>
<td>-----------------------------------------------</td>
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<tr>
<td>NS3-20, NSP3 Acquisition &amp; Rehabilitation</td>
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<td>$1,408,021.50</td>
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<td>NS3-30, NSP3 Redevelopment</td>
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<td>NS3-40, NSP3 Administration</td>
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<td>$1,126,417.00</td>
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### Activities

**Grantee Activity Number:** NS3-10  
**Activity Title:** NSP3 First & Second Mortgage Program

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<td>Projected Start Date:</td>
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<td>Benefit Type:</td>
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<tr>
<td>National Objective:</td>
<td>NSP Only - LMMI</td>
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<td>Project Title:</td>
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<td>Projected End Date:</td>
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#### Overall

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<tbody>
<tr>
<td>Total Projected Budget from All Sources</td>
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<td>$7,321,712.00</td>
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<td>Total Budget</td>
<td>$0.00</td>
<td>$7,321,712.00</td>
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<td>Total Obligated</td>
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<td>Total Funds Drawdown</td>
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<td>Program Funds Drawdown</td>
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<td>Program Income Drawdown</td>
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</table>

#### Activity Description:

Financing Mechanism: County provision of first and/or second mortgages to LMMI homebuyers for acquisition and rehabilitation of foreclosed single-family homes for owner occupancy.

#### Location Description:

Areas of Greatest Need located in eastern Palm Beach County and identified in the NSP3 application as Target Areas A, B, C, D, F, and G.

#### Activity Progress Narrative:

Beginning March 1, 2012 - staff began accepting first and second mortgage applications under NSP3. To date, the Business and Housing Investments section has accepted 50 applications (48 first mortgage and two second subsidies) representing an estimated $7 million in 1st/2nd loan requests. Over the past quarter, activities included a tour of the six delineated target areas by department staff, real estate offices and non-profit agencies.

#### 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

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<tr>
<th>Other Funding Sources</th>
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No Beneficiaries Performance Measures found.

No Activity Locations found.

No Other Match Funding Sources Found
### 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 (HouseHold)

**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:**
- 03/11/2011

**Total Projected Budget from All Sources:**
- $1,408,021.50

**Total Budget:**
- $0.00

**Total Obligated:**
- $0.00

**Total Funds Drawdown:**
- $0.00

**Program Funds Drawdown:**
- $0.00

**Program Income Drawdown:**
- $0.00

**Program Income Received:**
- $0.00

**Total Funds Expended:**
- $0.00

**Match Contributed:**
- $0.00

**Responsible Organization:**
- Palm Beach County Housing Authority

### 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:
Acquisition and/or rehabilitation of foreclosed properties, located in the Glades Region of Palm Beach County, to be used for affordable rental housing for eligible LH households.

### 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

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Community Development Systems
Disaster Recovery Grant Reporting System (DRGR)
**Grantee Activity Number:** NS3-30  
**Activity Title:** NSP3 Pahokee Housing Authority

**Activity Category:**  
Construction of new housing

**Project Number:**  
NS3-30

**Projected Start Date:**  
03/11/2011

**Benefit Type:**  
Direct (HouseHold)

**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:**  
03/11/2014

**Overall**

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan 1 thru Mar 31, 2012</th>
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<tr>
<td>Total Projected Budget from All Sources</td>
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<tr>
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**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 Pahokee 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:**
Redevelopment of vacant properties to be used for affordable rental housing by LH households.

**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

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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: 03/11/2014

Overall
Total Projected Budget from All Sources: N/A
Total Budget: $0.00
Total Obligated: $0.00
Total Funds Drawdown: $29,139.63
  Program Funds Drawdown: $29,139.63
  Program Income Drawdown: $0.00
Program Income Received: $0.00
Total Funds Expended: $4,754.00
  Palm Beach County: $4,754.00
Match Contributed: $0.00

Responsibile Organization: Palm Beach County

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:
Costs incurred by PBC Dept. of Economic Sustainability in performing general planning and administrative tasks associated with 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

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*Community Development Systems*

Disaster Recovery Grant Reporting System (DRGR)