

Palm Beach County Department of Economic Sustainability

SUSTAINABILITY FOCUS

SPECIAL REPORT **\$218 MILLION ECONOMIC IMPACT PROJECTED FROM NSP HOUSING PROGRAMS**

Palm Beach County, through the Department of Economic Sustainability (DES) has completed expenditure commitments on two federally-funded programs totaling \$77 million to stabilize neighborhoods and create quality affordable housing options for county residents. The estimated economic impact is projected at more than \$218 million over five years.

The U.S. Department of Housing and Urban Development Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.

In 2010, the County set up the \$50 million **NSP2** program to address areas adversely affected by the foreclosure and economic crises. The program has leveraged more than \$31 million in bond financing, housing tax credits and private investment capital and DES estimates a five-year economic impact of \$161.3 million.

Program elements included first and second mortgages, rehabilitation of abandoned and foreclosed residential properties, and redevelopment of vacant properties into affordable multifamily rental communities.

A sampling of NSP2 projects:

Colonial Lakes
Apartments Clubhouse
and Leasing Office



Commissioner Paulette Burdick is joined (left to right) by HUD Miami Field Office Director Armando Fana, Greenacres Planning Director Tom Lanahan, The Richman Group Exec VP Todd Fabbri, DES Director Ed Lowery, and Darrell Smith of Citibank

Colonial Lakes Apartments celebrated its Grand Opening on February 14th. This 120-unit, family-oriented community west of Lake Worth had a total project cost of \$19

million and received financing assistance of \$6.8 million through NSP2 funds. Additional funding partners included the Housing Finance Authority of Palm Beach County, Citibank, N.A., and Florida Housing Finance Corp.



Pine Run Villas rendering (above) and groundbreaking (at left)

On December 14, 2012, the Board of County Commissioners, DES, and Housing Trust Group broke ground on **Pine Run Villas**, a 63-unit affordable rental community on Melaleuca Lane, near Greenacres. This \$13.4 million project is receiving \$5.5 million in financing assistance through NSP2. The townhome-style villas should be complete by July and will offer working families a superior rental product at below market rates.



Westgate/Belvedere Homes Community Redevelopment Agency (CRA) has completed 13 single-family homes under the First Mortgage and Residential Redevelopment

Grant strategies of the NSP program. Properties were acquired and the structures were rehabilitated or reconstructed, with several of the homes already under contract for purchase.

Similarly, **Neighborhood Renaissance, Inc.** purchased and rehabilitated 48 housing units under NSP2, helping to put newly-improved housing back on the market.



The NSP2 program will create quality housing units for more than 1,150 residents. Efforts have resulted in reinvestment in homeownership, restoration of vacant structures to productive use, a turn-around in home values, and an overall increase in community pride in targeted neighborhoods.

The County's \$27 million **NSP1** program was authorized under the Housing and Economic Recovery Act of 2008, and implemented to restore abandoned and foreclosed properties to productive use. The estimated five-year economic impact of this investment is \$57.1 million.

First and second mortgages totalling more than \$12 million were approved for 90 homebuyers who purchased foreclosed, single-family homes for owner occupancy. Mortgage payments that have reached \$1 million to date are funding additional NSP activities.

Eight local non-profit housing providers and public housing authorities applied more than \$5 million NSP1 funds to acquire and rehabilitate 39 housing units which now provide affordable rental and ownership opportunities for approximately 140 persons.



Finally, \$7.5 million was allocated to help acquire and convert a vacant office complex



into the county's first homeless resource center – the Philip D. Lewis Center, which opened its doors July 1st.

Under both NSP1 and NSP 2 programs, DES staff worked directly with homebuyers, property owners, financial institutions, and contractors, providing underwriting and loan services, qualifying borrowers, performing construction inspections, monitoring compliance with federal labor requirements, and negotiating real estate and rehabilitation construction contracts.

Palm Beach County Economic Development Incentives - equipping us to compete in the global marketplace and bring new business and jobs to our community

SMALL BUSINESSES ARE MAKING A BIG IMPACT IN PALM BEACH COUNTY

Small businesses – those with fewer than 500 employees - account for 3 out of every 4 jobs created each year and are key to our economic recovery. The U.S. Small Business Administration (SBA) reports that small businesses make up 99.7 percent of U.S employer firms and are considered the drivers of American innovation and competitiveness.

Palm Beach County helped several small businesses with relocation and expansion projects in 2012 through its economic development incentive programs. Projects



financed with the help of the Section 108 and Energy Revolving Loan programs have resulted in capital investments totaling more than \$13.6 million, with a combined five-year economic impact to the local economy estimated at \$130 million.



One such business, **Doctors Scientific Organica, d/b/a Smart for Life**, held a Grand Opening last Fall at its newly remodeled facility on West 13th Street in Riviera Beach. This manufacturer and distributor of nutritional food products received financing through the County's loan programs.

At the event, HUD Miami Field Office Director Armando Fana commented that Palm Beach County is the leader in a 10-county region for Section 108 business loans.



As a food producer, Smart for Life joins Florida's fourth largest manufacturing industry by employment. Statewide, the Enterprise Florida reports that this industry carries an average wage of \$41K.

The County is currently working with nearly 30 new small business projects with a potential total capital investment of \$62 million – many of which are located in the Glades.

Opportunities for business development are increasing with the recent approval by the U.S. Department of Housing and Urban Development of an **additional \$1.568 million in Section 108 loan funds** to Palm Beach County, bringing its total 108 loan program allocation to nearly \$32 million.

Additionally, the County collaborates with SBA lenders to leverage owner equity and county incentives in completing financing packages for local businesses.



PBC IS LOCATION OF CHOICE FOR CORPORATE HEADQUARTERS

The Board of County Commissioners finalized an agreement last month with **ADT, LLC** for a Job Growth Incentive Grant of \$184,000.

ADT is a leading provider of electronic security services and is retrofitting a 175,000-square-foot space in Boca Raton for its headquarters. The County and City are providing local matches to the State of Florida's financial commitment to the company under the Qualified Target Industry-Quick Action Closing Fund. ADT will retain its 260



existing jobs and create another 120 new jobs over three years at an average annual salary of \$81,110.

DES estimates that this project will have a \$138 million impact on the local economy over a five-year period.

DES BUSINESS PROGRAM UPDATE (2011-2012)

	Total Project Investment	Jobs
Section 108 Loans	\$76.8 Million	959 (contracted)
Industrial Development Bonds	\$100 Million	11,327 (5-yr impact)
Job Growth Incentives	\$79 Million	1102 (contracted)

GETTING THE MOST FROM OUR ECONOMIC IMPACT ANALYSES

DES utilizes the nationally-recognized Regional Economic Models, Inc. (REMI) program to conduct accurate and timely studies to determine a project's potential economic impact on a community.

PROJECTS ASSISTED THROUGH DES SINCE THE BEGINNING OF FY 2011 ARE PROJECTED TO HAVE A \$2.77 BILLION ECONOMIC IMPACT OVER THE NEXT FIVE YEARS.



<http://maps.co.palm-beach.fl.us/edo>

Looking for the best site for your business relocation or expansion? Our real-time research tool will help you locate future and existing land uses, zoning districts, North American Industry Classification Systems (NAICS) codes, census data, enterprise zones, ownership and property tax information, and more.

PBC Interactive Update:

- The database daily records business registrations in the county and makes adjustments for incoming and outgoing companies. The 2012 tally resulted in a net increase of **477 new businesses** in Palm Beach County.
- The site is now functional for other popular browsers including Chrome, Firefox and Safari.

- Continuing improvements and fine-tuning include:
 - **Census** added as a new tab next to Layers, giving users the ability to access statistics and data
 - New HUB Zones layer
 - New layer to identify rail lines
 - Aerials slider for better distinction when needed
 - Ability to upload spreadsheets
 - NAICS industry codes and full text description
 - Improved searches with suggested text
 - Improved database refresh load times
 - Improved speed for handling map requests
 - Improved printing with capability to customize



Community Redevelopment

DEMOLITIONS

Palm Beach County is working with the cities of Belle Glade, Pahokee, and South Bay on demolitions now underway of vacated, blighted structures. Under the **Neighborhood Stabilization Program 3 (NSP3) Glades Demolition Program**, \$500,000 will fund the demolition of approximately sixty (60) buildings. This county-city partnership will help remove these sources of blight from the Glades community.

Additionally, HUD has approved the allocation of \$220,000 in Community Development Block Grant (CDBG) dollars toward the demolition of unsafe structures throughout unincorporated areas of the county.

Park Improvements



Construction is complete on improvements to **Sunset Ridge Park** in Lake Worth, thanks to more than \$230,000 in CDBG funds. The neighborhood park now has new ADA compliant facilities

including restrooms, a pavilion, sidewalks, security lighting, playground equipment, parking and landscaping.

Glades
Region
Master
Plan



The HUD Community Challenge Planning Grant (CCPG) was awarded to Palm Beach County to develop a master plan for the Glades Region. A public participation kick-off meeting was held on March 1st in Belle Glade with more than 100 participants. This community-driven process will craft a blueprint for economic development and redevelopment, focusing on major employment centers including the proposed Inland Logistics Center.

When completed, this plan is envisioned to be the basis from which future federal assistance can be applied to implement components of the plan.

Be sure to check www.pbcgov.com/des and click on this button for further updates.

Glades
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PAHOKEE HOUSING AUTHORITY McCLURE VILLAGE

Palm Beach County, in partnership with the Pahokee Housing Authority, is undertaking the demolition and reconstruction of multi-family units in McClure Village, located in the city of Pahokee. Costs for construction are being funded through HUD Disaster Recovery Initiative (DRI) program administered by the State of Florida, along with HUD Neighborhood Stabilization Program (NSP) funds under the Residential Redevelopment Grant Program.

The DRI program was developed to help cities, counties and states recover from natural disasters. Several housing units within McClure Village were severely damaged during the 2004 and 2005 hurricane seasons and over time became dilapidated beyond repair, necessitating the need to demolish and redevelop the properties.

At left:
McClure Village duplex in dilapidated condition prior to demolitions



Above and left:
Housing sites now under construction in Pahokee



Office of Small Business Assistance

Small Business is Big Business in Palm Beach County

The Office of Small Business Assistance (OSBA) works with DES to promote economic growth, expansion and increased productivity of small business enterprises. Visit their site at www.pbcgov.com/osba to find out more about their certification programs and guidelines for starting a new business.

The Business Development Board of Palm Beach County, Inc. is the county's marketing arm for recruiting, retaining and expanding businesses. They work closely with DES and Enterprise Florida to offer incentive packages to businesses that commit to make a capital investment in Palm Beach County and to create and retain full-time jobs at competitive salaries. <http://www.bdb.org>



Workforce Alliance

Connecting Business With Talent

Workforce Alliance, the non-profit organization chartered by the State to lead

workforce development in Palm Beach County, is offering \$6.3 million in grants to help local companies train and retain workers and scholarships to help employees update their skills or train for a new career in a high-demand field. For more information, visit www.pbcalliance.com.

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Our Mission: To advance community sustainability by increasing economic competitiveness and improving the elements that create a high quality of life for Palm Beach County's residents.