LAKE WORTH BEACH COMMUNITY REDEVELOPMENT AGENCY



1121 Lucerne Avenue | Lake Worth Beach, Florida 33460-3346 | T: 561-493-2550 www.lakeworthcra.org

MEMORANDUM

TO:

Carmen Davis, City Manager

FROM:

Joan C. Oliva, Executive Director

DATE:

Aug. 15, 2023

SUBJECT:

City Match for 2022/23 Community Project Funding for Affordable Housing – Resolution #23-

03

EXPLANATION:

The Lake Worth Beach CRA has been at the forefront in providing affordable housing since 2012. After receiving \$23M from the Department of Housing and Urban Development (HUD), the CRA and our partners, Adopt-a-Family, Habitat for Humanity of Greater Palm Beach, Housing Leadership Counsel, Community Partners, Neighborhood Renaissance, Florida Housing Finance and the Community Land Trust plus private firms built over 400 affordable units within the CRA District. The CRA relies on their partners to fund the construction of homes with money often coming from the County or other sources. Without this partnership, the impact would be much less.

Over the past two years, the CRA spent \$3M on affordable housing for land purchases and donations, environmental testing, inspections, buy downs, down payment assistance, and grants to provide more units for households making less than 120% area median income. The CRA has also spent funds on hosting home-buyer workshops, down payment assistance and administration. To keep up with the market, the CRA has dipped into its fund balance to help pay for properties that otherwise may have gone to investors or out of town owners.

In 2022, the CRA, in partnership with the City and our non-profit partners applied for Community Project Funding from the federal government, through Congresswoman Frankel's office. The application requested \$2.5 from HUD with a local match of land and TIF dollars. The City offered a match of \$2M. The application was submitted in April of 2022 and the CRA was awarded \$750K. Although more was requested, the CRA moved forward with the grant award paperwork and is now ready to receive the funds (Exhibit "A"). These funds were budgeted in the 22/23 Capital budget.

The CRA has applied for another \$2M from the 23/24 round of Community Project Funding with a \$1M match from the CRA. This grant, if received, would not only help with affordable housing efforts but also to preventing homelessness working with our partner, Adopt-a- Family. For more detail, please see Exhibit "B."

The CRA is requesting the \$2M in matching funds from the City so we can continue providing more opportunities and units for households making less than 120% AMI. This is needed because local prices continue to rise and without the proper funding, the CRA will be able to do much less than promised in the grant award acceptance. A Resolution from the CRA Board, approved at our July 11th meeting, is

attached for review Exhibit "C". If we do not receive the City funds, we are required to alert HUD that the promised match is not available. In turn, this could jeopardize the \$750K payout and our next application.

It is suggested that the \$2M from the City go towards:

City		Community Project Funding
Individual Development Accounts -	\$40K	
Purchase of Land for new Rental Units	\$1.2M	\$500K
Purchase of Land for Home Ownership	\$400K	\$150K
Buy down of private housing units	\$360K	\$100K

The estimates in these categories may change, based on what property is available for purchase and which partner will receive the land or building. However, all funding will be spent on making affordable units as no funds will be spent on plans or administration.

The CRA's draft budget includes another \$1.3M for affordable housing next year. In the meantime, the CRA is working with our non-profit housing partners to deliver 17 new affordable home-owner occupied units and approximately 8 rental units. In addition, the CRA is working with the private sector to provide 278* low and workforce housing units. Lastly, the CRA is currently working with three firms who are proposing projects in the CRA District. These may provide the CRA with the opportunity to buy down some of the units to create mixed-income housing.

REQUEST

CRA asks that the City Commission approve the transfer of the \$2M dollars to the CRA for use in our affordable housing program.

Development Names – Perch, Village Flats, Lake Worth Station, 10th St. Apartments and Madison Terrace

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELO

WASHINGTON, D.C. 20410-1000

OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

July 2, 2023

Joan Oliva Lake Worth Beach Community Redevelopment Agency 1121 Lucerne Ave. Lake Worth Beach, FL 33414 Email: joliva@lakeworthbeachfl.gov

Subject: FY2023 Community Project Funding Grant: Fully Executed Grant Agreement

B-23-CP-FL-0404

Dear Oliva:

The HUD Office of Community Planning and Development, Congressional Grants Division is providing the fully executed Grant Agreement to you for the subject grant. This Grant Agreement, signed by both parties, provides the terms and conditions for this grant, and readies you to be able to spend your grant funds and submit requests for reimbursement. Please retain this document as part of your grant records.

Regarding the Disaster Recovery Grant Reporting (DRGR) system, the administrator for your account will receive notification when they have been set up. The user for the account is the individual listed as the point of contact per your SF424 (under Applicant Information). They will receive an email from DRGR Helpdesk with the User ID and temporary password. The DRGR PIN for this grant is provided here: 30404. The email will include additional instructions on accessing DRGR for the first time.

The DRGR Administrator for your organization will need to add at least one additional user to complete the draw down process. Please refer to the DRGR Quick Guide for additional guidance.

If you, or your staff, have any questions regarding next steps, please review the attached DRGR Quick Guide and feel free to contact, Julie Zavala, CPD Congressional Grants Division at Julie.A.Zavala@hud.gov

Sincerely,

Holly A. Kelly

Holly a. Kelly

Director

Congressional Grants Division

ATTACHMENTS:

HUD 1044 Assistance/Award Amendment Form Community Project Funding Fully Executed Grant Agreement DRGR Quick Guide

Assistance Award/Amendmen	and		Dev	of Housing elopment stration			
Assistance Instrument			2. Ty	pe of Action			
Cooperative Agreement	X Grant		Award Amendment		nendment		
3. Instrument Number 4	Amendment Number		5. Ef	fective Date of this Action	6. C	ontrol Number	
B-23-CP-FL-0404			HUD Administering Office				
7. Name and Address of Recipient		CPD, Congressional Grants Division 451 7th Street, SW, Rm 7146					
Lake Worth Beach Community Redevelopment Agency							
1121 Lucerne Ave				Washington, DC 204	110-7000		
Lake Worth Beach, FL 33414							
EIN: 20-2848876	EIN: 20-2848876		8a. N	lame of Administrator	8b. ⁻	Telephone Number	
UEI: NTBPRKVS7K59							
10. Recipient Project Manager		9. HUD Government Technical Representative					
Joan Oliva			Julie Zavala				
11. Assistance Arrangement 12.	Payment Method	_	13 F	IUD Payment Office			
	Treasury Check Reimbur	rsement		Chief Financial Officier			
Cost Reimbursement		001110111					
Cost Sharing	Advance Check						
X Fixed Price	Automated Clearinghous	е			D-1		
14. Assistance Amount				IUD Accounting and Appropri	riation Data	15b. Reservation Number	
Previous HUD Amount			18d. Appropriation France			EDE 23	
HUD Amount this Action	\$750,	00.000				LDC 20	
Total HUD Amount	\$750,	00.000	Amount Previously Obligated				
Recipient Amount			Obligation by this Action				
Total Instrument Amount	\$750,	00.00	Total Obligation				
16. Description Affordable Housing in Lake Worth B This Award consists of the following (A) Cover Page - HUD 1044 (B) Grant Agreement Instructions:	items which are append						
NO PROJECT FUNDS may be com	mitted to the project or c	Irawn do	wn p	rior to environmental rele	ase of fur	nds approval	
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https://www.hudexchange.info/program	s/environmental-review/hu	ıd-enviro	nmen	tal-staff-contacts/-region-i-r	egional-an	d-field-environmental-officers.	
Disclaimer: The information on this Recipient identified in box 7 above (Development ("HUD") in relation to This document does NOT constitute The terms and conditions for this aw	form is to be used only form is to be used only for which is also referred to the award identified about the grant agreement for	or purpo as the ' ve ("this r this aw	ses o 'Gran awai 'ard.	of recordkeeping and facil tee") and the U.S. Depart d").	itating co tment of F	mmunication between the Housing and Urban	
Recipient is required to sign a this document to the HUD Add	nd return three (3) copies on the copies of	of	18. X Recipient is not required to sign this document.				
9. Recipient (By Name): 20. HUD (By Name):			HUD (By Name):	ne):			
Joan Oliva			Robin J. Keegan				
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The Lake Worth CRA, in partnership with, Adopt-a-Family, Habitat for Humanity, Neighborhood Renaissance, Housing Leadership Council, the Community Land Trust of Palm Beach and the Treasure Coast, Community Partners of South Florida and the City of Lake Worth seek to purchase available, blighted or foreclosed properties, and build, much-need attainable housing in the CRA District.

The Lake Worth CRA has several land-banked parcels and City funding to leverage any money awarded. Some of our land-banked parcels do have private sector partners. In this case, we can help subsidize a portion of the units to make them attainable to households. This will result in mixed-use, mixed-income units that will help further stabilize the area. In other cases, we will purchase more properties and work with our non-profit partners to build or rehabilitate new attainable units. All units will be deed restricted and for-sale units will have a shared-equity agreement to give the program longevity.

The strategy we are implementing is proven successful. With the \$23M in HUD, Neighborhood Stabilization Funding, the CRA and its partners were able to bring over 400 affordable rental and homeownership units to the City of Lake Worth since 2012. Although we won't be able to assist as many families as last time due to less funding and higher prices, we are confident we can make positive, lasting strides in making more attainable units with continued affordability.

Without a safe, secure place to live, households are vulnerable to health issues, food insecurity and lower than average educational outcomes. The medium price of a home in Palm Beach County exceeds \$500K. Annual home prices have jumped 25.5% in the last three years. The renter affordability gap is just over \$1000 for low income households and over \$600 for moderate income households (Palm Beach Housing for All Plan, 2022). Currently, there is no limit in how much a landlord can increase a households rent. Construction materials have increased over 17% just in the last year and there is little decline in sight. Without direct intervention by local City's, CRA's and both profit and non-profit partners, housing for our most vulnerable and our local workforce will disappear. Companies will no longer be able to relocate and offer jobs to our local citizens and graduating students. The lack of housing will greatly intensify the need for not only rooftops but also social services. Without a continuum of care, that includes, housing, transportation, food and health options and education, the County will suffer and the largest burden will be placed on households earning less than 120% of Area Medium Income.

This Lake Worth Attainable Housing Program will:

- Acquire much needed properties
- Rehabilitate/construct up to 50 properties to offer affordable rents
- Rehabilitate/construct up to 20 properties for to new homebuyers
- Land bank up to 10 properties for future need
- Seek to build units close to mass transit and schools
- Provide funding mechanisms for up to 30 households
- Provide deep-subsidy for up to 10 households
- Provide credit and home-buyer counseling
- Offer financial literacy classes



OFFICE OF CONGRESSWOMAN LOIS FRANKEL (FL-22)

Community Project Funding (CPF): FY24 Transportation & HUD

Return completed form and required documentation to: becca.flikier@mail.house.gov Due Date: Tuesday, March 14, 2023

Account and Grantee Eligibility: The Subcommittee will only accept legally eligible requests under the following accounts: Transit Infrastructure Projects, Highway Infrastructure Projects, Airport Improvement Program (AIP) Projects, Port Infrastructure Development Program Projects, Consolidated Rail Infrastructure and Safety Improvement (CRISI) Projects, and Economic Development Initiative (EDI) Projects. Grantee eligibility and project requirements vary by account, please see more information below for each account.

Economic Development Initiative (EDI)

EDI Community Project Funding within the Community Development Fund account of the HUD title is intended for economic and community development activities, consistent with statutory and additional Committee requirements.

Project requests for the FY24 EDI program must be eligible under one or more of the following criteria of the Community Development Block Grant (CDBG) program: 42 U.S.C. 5305(a)(1), 5305(a)(2), 5305(a)(4), 5305(a)(5); which are as follows—but limited to—land or site acquisition, demolition or rehabilitation; blight removal; and construction and capital improvements of public facilities, except for "buildings used for the general conduct of government." Programmatic and operational expenses are **not eligible**.

Eligible Categories:

5305(a)(1) – acquisition of real property (including air rights, water rights, and other interests therein) which is

- (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
- $(B) \ \ \text{appropriate for rehabilitation or conservation activities;}$
- (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
 - Please be advised that projects submitted under 5305(a)(1)(C) will be **disfavored** if the only or primary purpose of the project is "beautification" or historic preservation, without evidence of other community development or economic development benefits.
- D. to be used for the provision of public works, facilities, and improvements eligible for assistance under this chapter;
- E. or to be used for other public purposes

To Be Completed by Applicant:

General Information Needed from all Applicants

Entity Requesting Funds (aka non-federal project sponsor):
 Lake Worth Beach Community Redevelopment Agency (CRA)

Primary Point of Contact (name, email, phone number, organization address):

Joan C. Oliva, joliva@lakeworthbeachfl.gov (561) 493-2550 1121 Lucerne Avenue Lake Worth Beach, FI 33460

- Project Priority (if non-federal sponsor is submitting more than 1 project): n/a
- Short description of the project to appear in the report:

The Lake Worth CRA, in partnership with our housing and social service partners, will continue our efforts to provide both rental and home-ownership opportunities to households making less than 120% of Area Median Income (AMI) in the District. In addition, we will partner with Adopt-a-Family to fund programs that prevent homelessness.

Total Project Cost (including breakdown of federal/non-federal shares):
 Estimated Budget

Community Project Funding Request

Community Project Funding Award '23

Local Cash Match

Admin. & Social Service Value

\$2,000,000 (Acquisition, Rehab and New Construction)

(Acquisition, Inspections, Environmental Assessment and Testing)

(Homeless Prevention, Acquisition, Rehab.

\$200,000 and New Construction)

Requested Amount: \$2,000,000

 Sources of funding for the full share of the cost of the project if amount received is less than amount requested:

The CRA will still allocate at least \$1,000,000 towards providing affordable units in the District and use current administrative Staff to carry out the efforts.

Whether the project has received Federal funding previously, and if so, the source and amount:

Yes, the CRA and partners received \$750K last year. We are currently undergoing an environmental assessment, which will speed up housing production if our application is chosen. We are extremely grateful for the award, however, with rising prices and the extreme need in the community, more funding can definitely help make a bigger difference.

Complete Description of Project (limit 1000 characters, including spaces):

The Lake Worth Beach Community Redevelopment Agency (CRA), in partnership with Adopt-a-Family, the Community Land Trust of Palm Beach County and the Treasure Coast, Habitat for Humanity, Housing Leadership Counsel, Community Partners of South Florida, Neighborhood Renaissance and the City of Lake Worth Beach seek to purchase available blighted foreclosed or for-sale properties and build much needed attainable housing in the CRA District. Our main focus will be to increase home-ownership in the District although we will seek to rehabilitate and build rental units as well. The CRA has some land-banked properties to use to build affordable units for households making less than 120% of Area Medium Income. All new or rehabilitated housing will be deed restricted.

Questions for EDI Projects:

- 1. Project Name. Lake Worth Beach Attainable Housing and Homeless Prevention Program
- 2. General description of the project and why it is needed.

The medium price of a home in Palm Beach County exceeds \$500K. Home prices have jumped 25.5% in the past few years. Rents have also increased exponentially in the last few years. The renter affordability gap grew to over \$1000 for low-income families and \$600 for those making moderate (avg. 140% AMI) incomes. We cannot build our way out of the current situation. Construction materials have increased just over 17% just in the last year and there is little decline in sight as many materials continue to be difficult to obtain (Palm Beach Housing for All Plan, 2022).

Without direct intervention by local City's, CRA's and both profit and non-profit partners, housing for our most vulnerable and our local workforce will disappear. Companies will no longer be able to relocate and offer jobs to our local citizens and graduating students. The lack of housing will greatly intensify the need for not only rooftops but also social services. Without a continuum of care, that includes, housing, transportation, food and health options and education, the County will suffer and the largest burden will be placed on households earning less than 120% of Area Medium Income.

Due to high demand, many property owners are increasing rents and demanding substantial deposits. These increases put rental units out of reach for struggling families in the area. In an effort to stop households from losing their place to call home, we are adding other components to our efforts. These include Rapid-Re-Rehousing which will help local homeless families into permanent housing. In addition, funding will be put aside for Homeless Prevention, which will provide funding for families who are facing homelessness due to rising rents or a family crisis. Meanwhile, the majority of the funding will go to provide more affordable, rental units in the area and offer, for-sale housing opportunities helping to stabilize neighborhoods.

3. What are the benefits of this project and why is it a priority?

This project is a high priority, not only for the Lake Worth CRA, but for all municipalities in the region. Housing is a necessity, yet having a place to stay that is affordable has become a luxury. Housing costs are the largest single component of household expenses in the area. The remainder of a household's income go towards necessities like health-care costs, transportation and groceries.

Owning a home is the largest single asset investment held by most Americans. Housing is the key to reducing intergenerational poverty and increasing economic mobility. For renters, increasing housing costs also slow wealth building and can deplete savings. Research shows that increasing access to affordable housing is the

most cost-effective strategy for reducing childhood poverty and increasing economic mobility in the United States. A stable home allows people to invest in their social relationships, communities, health, and educational endeavors. Without that stability, families can experience stress, job loss, and even low rates of civic engagement (Florida Housing Coalition, 2023).

For younger workers and recent graduates entering the workforce, high housing costs creates a difficult decision as to whether to continue living in the Palm Beach area or move away. Over the past twenty years, Palm Beach County's housing prices have skyrocketed, insurance and the cost of living have steadily risen as well. High relative housing costs for renters and tightening first-time homeowner opportunities can hamper regional talent retention, posing a threat to its sustainability and long-term prospects for advanced regional economic development in high wage, high skill areas (Palm Beach County Housing Assessment, 2022). Without housing for essential workers and those just entering the workforce, the region becomes unsustainable. This will lead to gentrification while also slowing economic and employment growth.

4. Who are the community partners participating in this project?

Adopt-a-Family of the Palm Beaches
Community Land Trust of Palm Beach County and the Treasure Coast
City of Lake Worth Beach
Community Partners of South Florida
Habitat for Humanity of Palm Beach County
Housing Leadership Council,
National Community Stabilization Trust
Neighborhood Renaissance
Private, local developers, contractors and acquisition specialists

5. Have local community development organizations with prior experience with HUD programs been consulted?

Yes, the Lake Worth CRA is a recipient of Neighborhood Stabilization Program (NSP-2) funding from the Department of Housing and Urban Development. The community partners included in this application were also sub-recipients and partners for the NSP-2 grant which was extremely successful in bringing over 400 affordable units to the City of Lake Worth.

6. Has the request been submitted to another Subcommittee or Committee this fiscal year? No

7. Is this project consistent with the primary objective of the community development program?

The purpose of a Community Redevelopment Agency is to help stabilize once neglected areas, increase homeownership and economic opportunities and to increase values in an area. Tax Increment Financing (TIF) is used to fund programs and projects that benefit the community. Although the Lake Worth CRA spent all NSP-2 funds on time and had no audit findings, there is much more work to be done.

A neighborhood that lacks affordable housing often lacks housing for the community's essential, low-income workers. Essential workers in South Florida are those who provide health care, law enforcement, teach our children and take care of our elderly. Many essential workers have long-called Lake Worth Beach home. Housing unaffordability is often why local individuals and families experience instability. Our goal with this and other funding opportunities is to prevent displacement and provide safe, clean, secure housing so the existing neighborhoods can not only become stable but also prosper.

This program is part of an overall effort, focused on both community and economic development and growth. Community development activities build stronger and more resilient communities. Activities that have been undertaken in recent years include upgrading crucial infrastructure, economic development projects, public facilities installation, housing rehabilitation, clearance/acquisition, code enforcement, and homeowner assistance. Federal support encourages systematic and sustained action taken by the CRA in the past. Simply put, the CRA, nor the City of Lake Worth can do address the need without this and other funding.

RESOLUTION 23-03

CITY OF LAKE WORTH BEACH COMMUNITY REDEVELOMENT AGENCY

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKE WORTH BEACH COMMUNITY REDVELOPMENT AGENCY ("CRA") EXPRESSING THE CRA'S SUPPORT FOR THE CITY OF LAKE WORTH BEACH'S GRANT OF TWO MILLION AND OO/100 DOLLARS (\$2,000,000.00) WHICH SHALL BE UTILIZED IN CONJUNCTION WITH THE CRA'S COMMUNITY PROJECT FUNDING AWARD FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") TO BE UTILIZED BY THE CRA TO PURCHASE AVAILABLE BLIGHTED OR FORECLOSED PROPERTIES FOR THE PURPOSE OF CONSTRUCTION AFFORDABLE AND ATTAINABLE HOUSING WITHIN THE CRA'S COMMUNITY REDEVELOPMENT AREA; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Lake Worth Beach Community Redevelopment Agency's ("CRA") submitted a grant application to the United States Department of Housing and Urban Development ("HUD") for Community Project Funding to support the CRA's goals and objectives to acquire blighted or foreclosed properties for the purpose of constructing affordable and attainable housing units within the CRA's Community Redevelopment Area; and

WHEREAS, the CRA's Redevelopment Plan provides for the CRA to acquire property within the CRA's Community Redevelopment Area for the purpose of improving the housing stock within the CRA's Community Redevelopment Area; and

WHEREAS, as part of the CRA's application to HUD for Community Project Funding, the City of Lake Worth Beach pledged its support in the form of a Two Million and 00/100 Dollar (\$2,000,000.00) grant to the CRA for the CRA's attainable housing program; and

WHEREAS, HUD granted the CRA's funding application in the amount of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) to support the CRA's housing acquisition and construction programs, and the CRA has entered into a Grant Agreement with HUD for the grant funds; and

WHEREAS, the CRA Board of Commissioners finds that the CRA's property acquisition program is consistent with the CRA's Community Redevelopment Plan, and is in the best interest of the CRA, the citizens and businesses located within the Community Redevelopment Area and the City of Lake Worth Beach, and expresses its support and appreciation for the City of Lake Worth's grant in support of the CRA's attainable housing program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE COMMISSIONERS OF THE CITY OF LAKE WORTH BEACH COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby incorporated herein.

Section 2. The Board of Commissioners of the City of Lake Worth Beach Community Redevelopment Agency hereby expresses its support and appreciation for the City of Lake Worth Beach's pledge of Two Million and 00/100 Dollars (\$2,000,000.00) in grant funding for the purpose of supporting the CRA's attainable housing program as provided in the Grant Agreement entered into between the CRA and the United States Department of Housing and Urban Development..

Section 3. That all resolutions inconsistent or in conflict herewith shall be and are hereby repealed insofar as there is a conflict or inconsistency.

Section 4. If any section, sentence, clause, or phrase of this Resolution is held to be invalid or unconstitutional by any court of competent jurisdiction then said holding shall in no way affect the validity of the remaining portions of this Resolution.

Section 5. That the Executive Director is directed to send a copy of this Resolution to the Lake Worth Beach Mayor, City Commissioners, City Manager, and City Clerk.

Section 6. That this Resolution shall become effective upon its passage and adoption by the City of Lake Worth Beach Community Redevelopment Agency Board of Commissioners.

LAKE WORTH BEACH COMMUNITY

REDEVELOPMENT AGENCY

BRENDAN LYNCH, CHAIR

ATTEST.

JOAN OLIVA, EXECUTIVE DIRECTOR