

STAFF REPORT REGULAR MEETING

AGENDA DATE: August 15, 2023

DEPARTMENT: City Manager/CRA

TITLE:

Transfer \$2 million of ARPA Funds for Affordable Housing to CRA

SUMMARY:

In the FY2022/2023 budget, City Commission allocated \$2.5 million of ARPA funds for affordable housing. In 2022, the CRA, in partnership with the City and their non-profit partners applied for Community Project Funding from the federal government, through Congresswoman Lois Frankel's office. The City offered a match of \$2 million. The application was awarded. CRA is ready to received the funds and request the transfer of the \$2 million.

BACKGROUND AND JUSTIFICATION:

The CRA has been at the forefront in providing affordable housing since 2012. The CRA have received \$23 million from the Department of Housing and Urban Development (HUD), the CRA and partners, Adopt-A-Family Habitat for Humanity of Greater Palm Beach, Housing Leadership Counsel, Community Partners, Neighborhood Renaissance, Florida Housing Finance and Community Land Trust plus private firms built over 400 affordable units within the CRA District.

In more recent years, the CRA continued their efforts on affordable housing through land purchasing 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. Affordable housing funds have also been used for housing home-buyer workshops, down payment assistance and administration.

In 2022, the CRA, in partnership with the City and their non-profit partners applied for Community Project Funding from the federal government, through Congresswoman Frankel's office. The City offered a match of \$2 million. The application was submitted in April of 2022 and the CRA was awarded \$750,000. Although more was requested, the CRA moved forward with the grant award paperwork and prepared to receive the funds from HUD. See the attached Exhibit "A which consists of the fully executed grant agreement and HUD Assistance/Award Amendment Form.

The CRA also applied for \$2 million from the 23/24 round of Community Project Funding with a \$1 million match from the CRA. This grant, if received, would not only assist with affordable housing efforts but also to prevent homelessness working with Adopt-A-Family. See Exhibit "B" for more details of the application submission.

The CRA is requesting the transfer of the \$2 million matching funds from the City to continue meeting the need for more opportunities and units for households making less than 120% AMI. The \$2 million funds are critical to fulfilling the promised match. If the funds are not received, CRA is required to alert HUD which would ultimately jeopardized receiving the \$750,000 award funds and the next application. Attached is the approved resolution on July 11, 2023 from the CRA board (Exhibit "C").

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

<u>City</u>		<u>Community Project Funding</u>
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 \$1.3 million for affordable housing next year. In the meantime, the CRA is working with their non-profit housing partners to deliver 17 new affordable home-owner occupied units and approximately eight (8) rental units. In addition, 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.

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

MOTION:

Motion to approve/disapprove the transfer of \$2 million of the ARPA funds allocated to affordable housing to the CRA to develop affordable housing units and programs.

ATTACHMENT(S):

Memo from Joan Oliva to Carmen Davis – Subject: City Match for 2022/23 Community Project Funding for Affordable Housing – Resolution #23-03

Exhibit A - fully executed grant agreement and HUD Assistance/Award Amendment Form.

Exhibit B - 2023/2024 round of Community Project Funding application submission.

Exhibit C - CRA board approved resolution on July 11, 2023 from the CRA

FISCAL IMPACT:

N/A