



**AGENDA REPORT**  
**May 21, 2019**

**Approval, Re: Hurricanes Hermine and Matthew Community Development  
Block Grant Disaster Recover Grant funds through the Florida Department  
of Economic Opportunity (\$3,000,000)**

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**SUBJECT:**

Approval, Re: Subrecipient agreement between Brevard County and the Florida Department of Economic Opportunity and sub-contract between Brevard County and the Melbourne Housing Authority for Community Development Block Grant Disaster Recovery funds related to Hurricanes Hermine and Matthew.

**FISCAL IMPACT:**

FY 18-19: There will be no impact to the General Fund.

FY 19-20: There will be no impact to the General Fund.

**DEPT/OFFICE:**

Housing and Human Services

**REQUESTED ACTION:**

It is requested that the Board of County Commissioners authorize: (1) the County Manager to sign a Subrecipient Agreement with the Florida Department of Economic Opportunity upon approval of Risk Management and the County Attorney's Office; (2) the County Manager to sign any future amendments or modifications with the Florida Department of Economic Opportunity upon approval of Risk Management and the County Attorney's Office; (3) authorize the Housing and Human Services Department Director to sign related sub-contracts, amendments, and modifications with the Melbourne Housing Authority, upon approval of Risk Management and the County Attorney's Office; (4) the Housing and Human Services Department to submit all required forms (including environmental reviews) to the Florida Department of Economic Opportunity; and, (5) the County Manager to sign all necessary Budget Change Requests.

**SUMMARY EXPLANATION and BACKGROUND:**

The State of Florida, Department of Economic Opportunity received approximately \$117 million in Community Development Block Grant Disaster Recovery funds following Hurricanes Hermine and Matthew in 2016. Eighty percent of these funds (minus the State's Administrative Costs) were allocated to address unmet needs within the United States Department of Housing and Urban Development identified *Most Impacted and Distressed* areas (St. Johns County and the jurisdictions within that county). The

remaining twenty percent (\$22,408,030) was made available to other Most Impact and Distressed Areas (not Housing and Urban Development defined) which included Brevard and eighteen other counties through a competitive application process with an accelerated thirty day deadline.

The Housing and Human Services Department conducted a publically noticed meeting soliciting projects and partners (governmental, for-profit, and not-for-profit) and committed to submitting all complete applications that were received. Subsequently, Housing and Human Services submitted five applications for potential funding to the Department of Economic Opportunity. On October 26, 2018 Brevard County was notified that one of the projects (Palms at University) had been selected to receive funding. This project is in partnership with the Melbourne Housing Authority and will create sixty units of housing for low income elderly in Brevard (please see attached draft scope of work). The total cost of the project is \$10,273,840 of which \$3 million is from Community Development Block Grant Disaster Recovery funds. Additionally, a grant timeline of twenty four months is being imposed by the Department of Economic Opportunity. This means that construction, occupancy, and close out of the grant must be completed by that time and they have indicated that no waivers to the timeline will be approved.

Upon notification of the award, the Housing and Human Services Department, the Melbourne Housing Authority, and the Department of Economic Opportunity began discussions regarding the steps and documents necessary to reach a contractual agreement. Among them were underwriting through the United States Department of Housing and Urban Development which was significantly delayed due to the partial government shutdown.

The Melbourne Housing Authority is ready to begin construction in June 2019. It is anticipated that the final documents (subrecipient agreement, sub-contract, etc.) will be completed and ready for signature within the next month. Approval of this item will allow the expedited implementation of the project and compliance with the grant timeline.

**CLERK TO THE BOARD INSTRUCTIONS:**

None

**ATTACHMENTS:**

**Description**

- **Award Letter**
- **Draft Statement of Work**



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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Fax: (321) 264-6972  
Tammy.Rowe@brevardclerk.us

May 22, 2019

**MEMORANDUM**

**TO:** Ian Golden, Housing and Human Services Director

**RE:** Item F.15., Approval, Re: Hurricanes Hermine and Matthew Community Development Block Grant Disaster Recovery Grant Funds through the Florida Department of Economic Opportunity

The Board of County Commissioners, in regular session on May 21, 2019, authorized the County Manager to sign a Subrecipient Agreement with the Florida Department of Economic Opportunity, upon approval of Risk Management and the County Attorney's Office; authorized the County Manager to sign any future amendments or modifications with the Florida Department of Economic Opportunity upon approval of Risk Management and the County Attorney's Office; authorized you to sign related sub-contracts, amendments, and modifications with the Melbourne Housing Authority, upon approval of Risk Management and the County Attorney's Office; to submit all required forms, including environmental reviews, to the Florida Department of Economic Opportunity; and authorized the County Manager to sign all necessary budget change requests.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

*Tammy Rowe*

Tammy Rowe, Deputy Clerk

/kp

cc: Finance  
Budget

**Rick Scott**  
GOVERNOR



**Cissy Proctor**  
EXECUTIVE DIRECTOR

October 26, 2018

The Honorable Rita Pritchett, Chair  
Brevard County Board of County Commissioners  
20 N. Main Street, Room 263  
Brooksville, FL 34601

RE: Notification of subrecipient award Hurricanes Hermine and Matthew

Dear Chair Pritchett:

The Florida Department of Economic Opportunity (DEO) is pleased to inform you that your community has been selected to receive Community Development Block Grant – Disaster Recovery (CDBG-DR) Program funds based on the application previously submitted. We would like to thank Brevard County for participating in the competitive application process. We appreciate your staff welcoming us to your community to conduct the application confirmation site visit. Please see below for specific information regarding your community's CDBG-DR selection:

**Project Name:** Palms at University New Construction Project  
**Award Amount:** Up to \$3,000,000

In the next few weeks, someone from my team will contact you to continue the grant process. Receipt of CDBG-DR Program funds are contingent upon entering into a subrecipient agreement with DEO. DEO will assist your staff in the development of an acceptable scope of work and budget for your community's subrecipient agreement. Once those are developed, DEO will send the subrecipient agreement for review and execution.

DEO looks forward to partnering with your community to serve your citizens in meeting their unmet disaster recovery needs. If you have any questions or need further information, please contact Ryan Butler, CDBG-DR Program Manager, at 850-717-8518 or email [ryan.butler@deo.myflorida.com](mailto:ryan.butler@deo.myflorida.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie A. Dennis', is written over a circular stamp or watermark.

Julie A. Dennis, Director  
Division of Community Development

cc: Ian Golden, Brevard County Housing and Human Services Director  
Linda Graham, Brevard County Housing and Human Services

Florida Department of Economic Opportunity | Caldwell Building | 107 E. Madison Street | Tallahassee, FL 32399  
850.245.7105 | [www.FloridaJobs.org](http://www.FloridaJobs.org)  
[www.twitter.com/FLDEO](https://www.twitter.com/FLDEO) | [www.facebook.com/FLDEO](https://www.facebook.com/FLDEO)

An equal opportunity employer/program. Auxiliary aids and service are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TTD equipment via the Florida Relay Service at 711.

**Brevard County  
Statement of Work  
For  
Community Development Block Grant-Disaster Recovery (CDBG-DR) Grant  
HOUSING ACTIVITY**

Brevard County will be responsible for administering a Community Development Block Grant-Disaster Recovery (CDBG-DR) housing program to address unmet disaster recovery needs related to damage from Hurricane Matthew.

Brevard County will provide oversight for the Housing Authority of Brevard County's (Palms at University) new construction project that will consist of 60 affordable rental housing units (fifty 1 bedroom/1bathroom units and ten 2 bedroom/1bathroom units) to primarily serve the low income elderly and/or disabled in a multifamily residential development located at 585 East University Boulevard, in Melbourne, Florida. This project will remain affordable for 20 years.

The major tasks that Brevard County will perform include, but are not limited to, the following:

- Contract Development
- Public Noticing and Advertising
- Environmental Review
- Review and/or Approval of Plans and Specifications
- Inspection/Construction Monitoring
- Davis-Bacon Act
- Processing Payments/Invoices
- Site Inspections
- Ongoing development meetings (with DEO and/or the Melbourne Housing Authority)
- Affordability Monitoring

The total amount of CDBG-DR funds for this project is \$3,000,000. Brevard County will utilize 5% (\$150,000) for Project Delivery to support the successful completion of this project while ensuring compliance with other DEO and CDBG-DR program requirements, rules, and regulations. \$2,850,000 of the allocation will be utilized for direct construction costs through a sub-contract with the Housing Authority of Brevard County.

## **Palms at University**

### **60 Unit Multifamily Residential Development – Elderly & Disabled**

#### Narrative

A. **Narrative Description:** The proposed Palms at University MFR Development Project located on +/-3.149 acres along E. University Boulevard, Melbourne, Florida shall provide critical need 60 Multifamily Residential Units [new construction] consisting of Fifty (50) 1 Bedroom/1 Bathroom units and Ten (10) 2 Bedroom/1 Bathroom units specifically designed to house a significant backlog of elderly and disabled individuals. The property is strategically located in FEMA Map Flood Zone “X” adjacent to a newly constructed full service Health Clinic to the contiguous East, a newly constructed Dollar General Store to the contiguous West and across the street from very well maintained inventory of public housing units currently owned and managed by the applicant. In addition, there is a sheltered public transportation/bus stop located directly in front of the subject site.

#### **B. Proposed Development:**

a. **Current Status of Development:** The subject property is zoned MU1/C2 allowing up to 15 density units per acre (up to 60 MFR units) and has obtained site plan approval from the City of Melbourne anticipated to be permit-ready on or about February 2019. The applicant owns the property free and clear of encumbrances with exception of an existing Pre-development loan i/a/o \$500,000 secured by a 1stREM in favor of Florida Housing Finance Corporation (“FHFC”). In addition, Florida Community Loan Fund (“FCLF”) has provided a \$250,000 pre-development NRLOC. Both LOC facilities shall be paid in full at closing of the construction loan. Additional leveraging in the approximate amount of \$6,356,200 shall be provided through an FHA-insured Sec. 221(d)(4) facility for construction permanent financing anticipated to close 2Q-19.

i. **Preliminary Work Completed.** Zoning and Entitlements along with Civil Engineered Preliminary Site Plan approval for the proposed development have been obtained. Architectural Drawings have been completed and submitted for final approval from the City of Melbourne in preparation for obtaining a building permit. Accordingly, the subject project is substantially approved for site work and construction.

ii. **Leveraging.** In addition to obtaining the FHFC pre-development loan and FCLF pre-development LOC facilities, the Applicant has retained HUD- approved MAP Lender, Walker & Dunlop, to provide construction/permanent financing through a FHA-insured

Sec. 221(d)(4) funding program in the approximate amount of \$6,356,200 (subject to change pending interest rate lock, etc.). Subsequent to a successful Concept Meeting with HUD-JAX on or about April 5, 2018, the Applicant has been granted approval by HUD to move forward in the process to submit an application for Firm Commitment which is anticipated to occur in 1Q-2019 subject to pending approval by HUD conducted in accordance with Multifamily Accelerated Process ("MAP") Guidelines. Such review, approval, and closing timeline may be impacted due to backlog as a precipitate of the Dec 2018-Jan 2019 partial government shut-down.

iii. **Owner Equity and GAP Funding.** The Owner/Sponsor has committed 100% of its eligible "developer fee" in the approximate amount of \$1,174,153 along with land valued at \$1,072,000 plus, and additional capital injection of approximately \$917,640 to the Palms at University MFR project totaling roughly \$3,091,793 in Owner Equity (subject to change pending final cost certification, interest rate lock, etc.). The recent award of DEO CDBG-DR Grant Funding in the amount of \$3,000,000 will provide critical funds necessary to bring this project to fruition.

b. **Structure of the Ownership Entity for the Proposed Development.** The subject Development Project shall be owned by a special purpose entity ("Palms at University, LLC") duly formed under the laws of the State of Florida as a wholly-owned subsidiary of the Melbourne Housing Authority as required under FHA-insured Sec. 221(d)(4) financing and MAP Guidelines.

C. **Unmet Housing Critical Need:** Pursuant to the Hurricane Matthew event which occurred on or around October 6, 2016, the PHA experienced a significant number of displaced and impacted residents due to storm damage that included, but was not limited to, units located at 4000 N. Riverside Drive, Melbourne, FL housing elderly and disabled residents. As the PHA currently operates at near 100% occupancy and alternative suitable affordable housing in Brevard County, FL is virtually non-existent, MHA is endeavoring to develop new construction resilient multifamily residential units in order to provide safe, sanitary affordable housing to the community. Grant Funds from the DEO CDBG-DR shall be specifically allocated to required GAP funds necessary to bridge the construction/permanent financing leverage delta which is anticipated to be about \$3,000,000 (USD) and shall be first expended on hard costs associated with construction as required under DEO CDBG-DR Grant guidelines.

a. **Eligibility:** While there is a minimum age of 62 years head of household to qualify for residency, there is no minimum age requirement for disabled individuals. Families or individuals who meet the extremely low-income requirements (30% of the area's median), and very low income (50% of

area median) based on total gross income. Income from sources such as pensions, retirement accounts, IRA's, insurance annuities, along with valuation of other assets such as real estate, vehicles, etc. are counted when assessing eligibility.

- b. **Tenant Portion of Rents:** Tenant Rental Amount is calculated using the greater of; (i) 30% of monthly adjusted income, (ii) 10% of monthly income or, (iii) the PHA minimum rent of \$50.00.
  - c. **Subsidy:** The Melbourne Housing Authority has requested sixty (60) project- based vouchers from the Housing Authority of Brevard County with a payment standard of 120% of Fair Market Rents as published by the Department of Housing and Urban Development.
  - d. **Priority for Occupancy:** Priority #1 – Income qualified elderly and/or disabled persons who have been verified as being displaced from a hurricane within the State of Florida. The first available apartments shall be offered to victims of Hurricane Matthew which impacted Brevard County on or about October 6, 2016. Priority #2 – Income qualified elderly and/or disabled persons who have applied for Housing Choice Vouchers and are on a current waiting list of the PHA.
- D. **Applicant Background:** Melbourne Housing Authority (Applicant/"MHA"), a public body corporate and politic duly formed under Section 421 of the State of Florida Statutes with a mission of providing safe, clean, sanitary, affordable housing to qualified low and very low income individuals and families consistent with the U.S. Housing Act of 1937 as codified in 42 USC 1437 et seq. which provides Public Housing Authorities ("PHA") the ability to develop, acquire and/or operate and manage affordable housing projects. MHA has been successfully operating such programs since its inception in 1969 and currently maintains "High Performing" status for the last five consecutive years under the leadership of Michael L. Bean, its Executive Director, as awarded by the Department of Housing and Urban Development ("HUD").
- a. **Current Programs and Goals.** MHA current programs are designed to assist, enhance, and improve the lives of the resident population and to facilitate individual milestones to self-sufficiency. Such programs include key initiatives through non-profit organizations, which provide for education assistance, job training and employment assistance, financial & budgeting assistance, child care, and after school programs.
  - b. **List of Corporate, Foundation and Government Supporters:**
    - i. **Interlocal Initiatives Community Development Corporation:** 1401 Guava Avenue, Melbourne, FL – Greg Jones (321) 446-1346
    - ii. **City of Melbourne:** 900 E. Strawbridge Avenue, Melbourne, FL – Cindy Dittmer, Director of Community & Planning (321) 608-7509.

- iii. **Department of Housing and Urban Development** – [in the form of providing Housing Choice Vouchers through the Federal Section 8 Housing Choice Voucher Program]: Brickell Plaza Federal Building, 909 SE First Avenue, Miami, FL.

**E. Applicant Experience & Supporting Staff:**

- a. **Applicant's Experience.** The PHA has been involved in the development, acquisition, management and operation of low income and very low income and affordable housing in Brevard County, FL for over 47 years housing qualified individuals and families and providing successful resident programs tailored to meet the needs of the residents.
- b. **Role of Applicant's Staff.** Under the leadership of Michael L. Bean, CEO/Executive Director, the PHA engages an active seasoned staff collectively with over 185 years' experience in development, management and operation of low income, very low income and affordable housing (a copy of Mr. Bean's Professional Experience is attached hereto) and shall be developing the subject Project.
- c. **Applicant's Knowledge of the Local Community.** The Melbourne Housing Authority/Applicant has been actively providing affordable housing to low income, very low income, elderly and disabled residents since 1969. Applicant's knowledge and presence in the local community is vast and continually expanding as local trends and needs are routinely assessed to better serve the community and growing lower income, elderly and disabled demographic.