

Broward County, Florida Recovery Plan

State and Local Fiscal Recovery Funds 2021 Report

Note: The Recovery Plan Performance Report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner. While this template includes the minimum requirements for the Recovery Plan, each recipient is encouraged to add information to the plan that they feel is appropriate to provide information to their constituents on efforts they are taking to respond to the pandemic and promote an equitable economic recovery.

Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it meets the reporting requirements, and recipients are encouraged to tailor this template to best meet their needs. Use of infographics, tables, charts, pictures, case studies, and other explanatory elements are encouraged.

**Broward County, Florida
2021 Recovery Plan**

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Executive Summary

Broward County intends to use the first tranche of ARPA funds to focus on long-term investments that support the tourism, travel, and hospitality industries which was devastated during the COVID-19 pandemic; expand the supply of critically needed affordable housing in one the most unaffordable regions of the country that has been exacerbated by the homeless challenge we already faced; and facilitate the final stages of our water and wastewater system's septic to sewer conversion to address the environmental risks to our water supply.

Uses of Funds

The County's intended use of funds will focus on the following Expenditure Areas:

1. Aid to tourism, travel, and hospitality industries

b. Negative Economic Impacts. The County will commit \$140.5 million to support the tourism, travel, and hospitality industries that are critical to our economy. Of these funds, \$140 million will be used as part of the large renovation and expansion of the County's Convention Center by part funding the Headquarters Hotel element of the project. The entire project has been in development for many years and was delayed due to the pandemic. The first phase of the convention center redevelopment was continued during the pandemic and will open in the fall of 2021. The second phase of the convention center expansion, as well of the Headquarters Hotel, were continued into design phases but delayed as to construction. The County is now able to move forward with the second phase and hotel, and will use tourist taxes and revenue bonding, together with the \$140 million of ARPA funds to aid this vital project for the tourism, travel, and hospitality industries.

Tourism is vital to Broward County's economy, and to the Nation as an international destination for other countries. The County's promotional efforts, including managing the tourism destination marketing and sales efforts, raising awareness regionally, domestically and globally, result in the attraction of more than 13 million overnight visitors each year who spend \$6.27 billion, with \$8.8 billion in economic impact. International visitors before the pandemic represented over 1 million (8 percent) of Broward's visitors, and a redeveloped convention center complex will greatly improve our ability to attract overseas visitors, especially from the Caribbean, Central and South America, Canada, and Europe.

This project is critical to both short-term construction jobs that will average approximately 500 over the construction period, as well as build back the travel and hospitality industries that provide thousands of jobs for Broward residents. Prior to the pandemic, Broward had a very low unemployment rate of 2.9% and was 10th lowest of Florida's 67 counties (December 2019). Even with the recovery in 2021, the County's unemployment rate is still 5.7% in June of 2021, and now ranks 43rd of 67 counties. This project is estimated to increase long-term employment by over 1,000 jobs.

The project will also address employment equity. The goal for Broward County's local small business program for this project is 30%. Additionally, the hotel will be required to focus on hiring and training hard to hire individuals as identified in Broward County's Workforce Investment program. This targets individuals from census tracts with low median incomes, high unemployment rates or both. It also targets individuals with disabilities and individuals with criminal records.

The hotel will also be required to allocate a percentage of its business, via both procurement and contracting opportunities, to local small businesses through Broward County's County Business Enterprise (CBE) program. Many of those businesses are women or minority-owned.

The project timetable has been delayed due to the impacts of the pandemic. As a result, project costs have increased substantially due to the disruption of supply chains that has happened over the last year. The financing package for the hotel has been challenging due to the uncertainty, but, with the \$140 million of funding from ARPA as aid for the tourism, travel, and hospitality industries for this project that was delayed due to the pandemic, the County is able to move forward again.

The county will also use \$500,000 to support a separate project that will promote tourism that was delayed due to the pandemic. This project will transform a portion of a park located in the county into a vibrant entertainment and sports destination.

2. Affordable Housing

c. Services to Disproportionately Impacted Communities (EC 3). Broward County has one of the most extreme affordability crises in the entire country. And this crisis has been exacerbated by the COVID-19 pandemic, which has seen housing prices and rents increase at rapid rates just at the time that many residents have lost their jobs due to the economic dislocation related to the pandemic.

Broward County proposes to use up to \$26.23 million from the first tranche of ARPA funds for affordable housing development to increase supply of affordable and high- quality living units, as part of *Building Stronger Communities through Investments in Housing and Neighborhoods*. The following section describes the crisis our residents face, the strategies the County uses, and the mix of funding that is proposed for the ARPA and other county, state and federal funds.

Demand for Affordable Housing

Broward County faces an affordable housing crisis. Based on the 2018 Countywide Affordable Housing Needs Assessment it is clear that there is significant demand for *home repair, home purchase assistance* and *rental unit production*. The Needs Assessment documented at that time only 12% of all households in the County could afford the median price home of \$350,00. Since that time the median price home in Broward County has increased to \$464,000. The report also indicated 54% of all Broward County workers earned less than 60% of AMI, reflecting the overwhelming number of service sector jobs in the County's economy. The report also documented that there was a deficiency of available, affordable units for 147,313 cost burdened renter households and 77,677 *severely* cost burdened renter households.

With the COVID-19 pandemic exacerbating these trends both nationally, and especially in south Florida, the challenge for Broward residents to afford home ownership, or find affordable rental units, has become extreme. In addition, Broward County is a completely built out urban county with many neighborhoods and homes over forty years old.

Broward County has three basic strategies to relieve the affordable housing crisis. These strategies are:

1. Purchase Assistance for Affordable Home Buyers
2. Home Repair for existing Affordable Home Owners
3. Gap Financing for Construction or Acquisition/Rehabilitation of New Multi-Family Rental Units

Striking the appropriate funding balance between the three affordable housing strategies is important, and the County has limited resources to address this need. The County has considered the use of ARPA funds within the context of current and on-going fund sources for all the strategies. As can be seen from the Broward County HUD map of Low/Moderate Income Census Blocks and Tracts (see attached), approximately half of the County homes are in modest neighborhoods with older homes requiring maintenance, repairs or upgrading. Therefore, all three strategies are significantly over subscribed in regard to available funding.

Allocation of Available Funding

Funding available to Broward County for these strategies is most often provided by one or more of the following sources:

1. Community Development Block Grant (CDBG)-Federal Grant
2. HOME-Federal Grant
3. State Housing Initiative Program (SHIP)-State Grant
4. Gap Financing for Multi-Family Units-County General Fund

The two Federal grants are limited to individuals/families earning no more than 80% of Area Median Income (AMI) as defined by HUD. The State grant is limited to individuals/families that earn no more than 120% of AMI although this can be increased to 140% of AMI in certain circumstances. The Gap Financing “fills the funding gap” for projects that are leveraged with other sources such as HFA tax exempt bonds, Florida Housing Finance Corporation (FHFC) 4% and 9% tax credits, FHFC State Apartment Incentive Loan (SAIL) program and various other equity sources. It should be noted that these Multi-Family rental sources often require serving individuals/families at 30% and 60% of AMI, therefore reaching Extremely Low (30% AMI) and Very Low (50% AMI) income households.

Affordability periods are required for households that benefit from this funding through the use of deed restrictions on the sale or refinancing of the property prior to the end of the applicable period of time. This creates the continued availability of the affordable home or rental unit in exchange for the subsidy represented by the County funding source. The deed restrictions for the three strategies listed are:

1. Home Repair-10 Year Deed Restriction
2. Purchase Assistance-15 Year Deed Restriction
3. Gap Financing for Rental Units-30 Year Deed Restriction

American Rescue Plan Funding

At the Board of County Commissioners (BCC) Budget Workshop on June 17, 2021, the BCC engaged in discussion regarding Gap Funding for Multi-Family rental units. In addition to the proposed FY2022 budget of \$12.5 million General Fund dollars, the BCC discussed using a portion of the American Rescue Plan Act funds to increase the construction of additional affordable rental units.

The County FY22 recommended budget will include significant ARPA funds for Affordable Housing, subject to the availability of “shovel ready” projects to utilize the funding on a timely basis:

- \$12.5 million budgeted for a project solicitation, with 250 units anticipated,
- Up to \$10.7 million additionally available in sufficient qualifying projects are proposed, with up to 214 additional units,
- \$3.02 million additionally funded for a project in the City of Hollywood that is ready to move forward (104 units) that was previously stalled.

3. Septic to sewer conversion

e. Water, sewer, and broadband infrastructure (EC 5). Broward County operates a water and wastewater system that provides direct service to about 12% of the county’s population, as well as wholesale water and wastewater services to a number of other systems . Currently, 5% of Broward County’s water and wastewater service area is unsewered. These systems are significantly older and more prone to harmful discharges to groundwater and drainage canals impacting water quality and increasing nutrient related algae and aquatic weed growth. Broward County has committed to eliminating septic tanks within its service areas and to enhance the collection and treatment of all wastewater within the County’s service areas.

The area in which the septic tank elimination project is to occur has a median household income of \$42,204/year which is approximately 71% of the State of Florida median household income. Average household size of the proposed area is 3.5 persons per household.

This project will involve the award of the construction contract to an underground utility contractor. County contracts require a prevailing wage rate to be paid and requires participation in a construction apprenticeship program. It also requires the contractor to participate in the “Broward County Workforce Investment Program” (the “Program”). The objectives of the Program are to encourage Contractors to utilize CareerSource Broward (our local workforce development entity), the Florida Department of Vocational Rehabilitation, and their contract partners as a first source for employment candidates for work on County-funded projects, and to encourage Contractor hiring of economically disadvantaged or hard-to-hire individuals.

4. COVID-19 Vaccination

a. Public Health (EC 1)

Broward County has programmed \$565,000 for incentives, including modest gift cards and prizes, to encourage vaccination in population groups and geographic areas that have proven more challenging to increase levels of vaccinations.

Broward County currently has 79.2% of its population over 12 years of age having received their first dose of the Covid-19 Vaccine and 64% have been fully vaccinated. The County has developed an aggressive Covid-19 Vaccination Outreach Plan and Campaign aimed at increasing the percentage of eligible residents who are fully vaccinated, particularly focused on our zip codes with the lowest vaccination rates. Part of the plan includes an incentive program whereby gift cards, bus passes, and professional sports game tickets are distributed after the first and/or second doses of vaccine. The local goal is to achieve at least 80% of residents eligible to receive the vaccine are fully vaccinated.

5. Broadband

e. Water, sewer, and broadband infrastructure (EC 5)

Broward County has programmed \$1,000,000 to expand broadband access in underserved areas within the County, and particularly in the Municipal Services District. Disparities in access have been particularly apparent during the Pandemic, where schools were teaching remotely.

The Broward Municipal Services District (BMSD) is a culturally diverse community, particularly in the Central County area. Central County is 94% Black with an AMI of \$37,983; the Countywide AMI is \$57,333. We know that there is a gap in regards to accessing reliable Internet service in communities representative of the BMSD. Broward County has already deployed public internet connectivity in the neighborhood parks for the Central BMSD, which are high-speed connections with speed well over the most traditional “free” Wi-Fi offerings using County service. The investment in fiber has a lifespan of 35 years, which can be built upon to provide additional sites and Wi-Fi antennas to the area.

Table of Expenses by Expenditure Category

Category		Broward County Programmed	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health			
1.1	COVID-19 Vaccination	565,000	270,987	0
2	Expenditure Category: Negative Economic Impacts			
2.11	Aid to Tourism, Travel, or Hospitality	140,500,000	93,983	0
3	Expenditure Category: Services to Disproportionately Impacted Communities			
3.10	Housing Support: Affordable Housing	26,233,757	0	0
5	Expenditure Category: Infrastructure			
5.5	Clean Water: Other sewer infrastructure	21,353,360	0	0
5.17	Broadband: Other projects	1,000,000	0	0
7	Administrative and Other			
7.1	Administrative Expenses	0	0	0
7.2	Evaluation and data analysis	0	0	0
	TOTAL	189,652,117	364,970	0

Project Inventory

[Project \[100756, 960005\]](#): Aid to Delayed Projects to support recovery of tourism, travel, and hospitality industries

Funding amount: \$140,500,000

Project Expenditure Category: 2.11, Aid to Tourism, Travel, or Hospitality

Project overview

The County will commit \$140 million to support the tourism, travel, and hospitality industries that are critical to our economy. The funds will be used as part of the large renovation and expansion of the County's Convention Center by part funding the Headquarters Hotel element of the project. The entire project has been in development for many years, and was delayed due to the pandemic. The first phase of the convention center redevelopment was continued during the pandemic and will open in the fall of 2021. The second phase of the convention center expansion, as well of the Headquarters Hotel, were continued into design phases but delayed as to construction. The County is now able to move forward with the second phase and hotel, and will use tourist taxes and revenue bonding, together with the \$140 million of ARPA funds to aid this vital project for the tourism, travel, and hospitality industries.

The hotel is an 800-room project, which will serve as the Headquarters Hotel for major conventions. The hotel will be owned by the County. The projected hotel project cost is currently estimated to be \$515 million for hard and soft construction costs, and the ARPA funds will support \$140M of that cost. The remaining costs will be financed by revenue-supported bond financing.

The county will also use \$500,000 to support a separate project that will promote tourism that was delayed due to the pandemic. This project will transform a portion of a park located in the county into a vibrant entertainment and sports destination.

Project: Affordable Housing

Funding amount: \$26,233,757

Project Expenditure Category: [3.10, Housing Support: Affordable Housing]

Project overview

- *Broward County proposes to use up to \$26.23 million from the first tranche of ARPA funds for affordable housing development to increase supply of affordable and high-quality living units.*
- *\$12.5 million budgeted for a project solicitation, with 250 units anticipated,*
- *Up to \$10.7 million additionally available in sufficient qualifying projects are proposed, with up to 214 additional units,*
- *\$3.02 million additionally funded for a project in the City of Hollywood that is ready to move forward (104 units) that was previously stalled due to a funding gap for the project*

Project [103896]: [District 3BC Septic Tank Elimination Project]

Funding amount: \$21,353,360

Project Expenditure Category: [5.2, Clean Water: Centralized wastewater collection and conveyance]

Project overview: Extend sanitary sewer to areas of Broward County Service Area District 3C currently served via septic tanks. Sanitary sewer project service area will include parts of Utility Analysis Zones 359, 360, 361, 364, 365 & 366. The project will eliminate 1,840 septic tanks by installing a gravity sewer collection system, lift stations and sewer laterals to each property within the project limits. Proposed outcomes will be to successfully transfer the customers from septic tank to a centralized wastewater collection and transmission system eliminating the need for these residents to continue to maintain septic tanks and drainfields while enhancing ground water quality.

Project [960021]: COVID-19 Vaccination

Funding amount: \$565,000

Project Expenditure Category: [1.1 COVID-19 Vaccination]

Broward County has programmed \$565,000 for incentives, including modest gift cards and prizes, to encourage vaccination in population groups and geographic areas that have proven more challenging to increase levels of vaccinations.

Project: Broadband

Funding amount: \$1,000,000

Project Expenditure Category: [5.17, Broadband: Other projects]

Project overview: Broward County has programmed \$1,000,000 to expand broadband access in underserved areas within the County, and particularly in the Municipal Services District.

Performance Report

- a. *Negative Economic Impacts—Aid to Tourism, Travel, or Hospitality (EC 2.11)*
 - *Number of construction jobs: anticipated to be an average of 500*
 - *Workforce investment requirement*
 - *By a stabilized year of operation, the project is estimated by our hospitality consultant to support an additional 1,220 jobs for a total of approximately 2,590 permanent full-time equivalent jobs in Broward.*

- b. *Housing Support: Affordable Housing Household Assistance (EC 3.10)*
 - *Number of affordable housing units developed: 568*

- c. *Clean Water: Centralized wastewater collection and conveyance (EC 5.2)*
 - *Number of septic systems eliminated: 1,840*

- d. *COVID-19 Vaccination*
 - *Increased percentage of people vaccinated*

- e. *Broadband*
 - *Improved access to high-speed broadband*

FISCAL YEAR 2021 BROWARD COUNTY LOW AND MODERATE INCOME BLOCK GROUPS

