

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: 11/21/06 [] Consent [x] Regular [] Public Hearing

Department: Housing and Community Development

Submitted By: Housing and Community Development

Submitted For: Commission on Affordable Housing

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: the Assumption and Consent Agreements executed by Marina Clinton Associates, Ltd., Trust Lake Park, Ltd. and Trust Lake Park Two, Ltd.

Summary: The entities referenced above are selling their general partnership interest in Marina Bay Apartments and Venetian Isles to Shelter Corporation and Community Housing Corporation of America; who agreed to honor all obligations of the loan agreements. Both projects will be monitored annually by Florida Housing Finance Corporation and Palm Beach County's Commission on Affordable Housing to ensure the projects remain in compliance with State and County loan conditions. Countywide (TKF)

Background and Justification: On November 21, 2000 the Palm Beach County Board of County Commissioners (BCC) approved \$291,950 in funding for Marina Clinton Associates (R2000-1932) The loan financed a portion of the \$11,255,000 cost of constructing 191 attainable rental housing units for the elderly.

On June 3, 2003 the BCC approved a loan to Trust Lake Park Two, Ltd. (R2003-831). The loan proceeds of \$232,663 partially financed the construction of Venetian Isles a 112 attainable rental housing project for lower income households, with a total cost of \$12,834,227.

On July 12, 2005, the BCC funded Marina Clinton Associates and Trust Lake in the amounts \$50,000 (2005-1345) and \$200,000 (R2005-1334), respectively. Marina Clinton Associates and Trust Lake received Hurricane Housing Recovery Program funding for hurricane repairs to Marina Bay and Venetian Isles that weren't covered by their Windstorm insurance proceeds.

Attachments:

- A. Assumption and Consent Agreement of Palm Beach County Board of Commissioners

Recommended By: Edward W. Smith 11/01/06
Department Director Date

Approved By: Sharon R. Smith 11-13-06
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____

NET FISCAL IMPACT

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included In Current Budget? Yes ___ No ___ Budget Account No.:
Fund ___ Agency ___ Org. ___ Object ___ Program Code/Period ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact.

C. Departmental Fiscal Review:

Larry D. Brown
Larry D. Brown, Financial Analyst II

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

11/6/06
OFMB

11/7/06
Contract Dev. and Control

B. Legal Sufficiency:

11/9/06
Assistant County Attorney

This item complies with current
County policies.

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

ASSUMPTION AND CONSENT OF PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

WHEREAS, Marina Clinton Associates, Ltd. ("Marina"), Trust Lake Park, Ltd. ("Trust Lake") and Trust Lake Park Two, Ltd. ("Trust Lake Two"), each a Florida limited partnership (Marina, Trust Lake and Trust Lake Two are collectively referred to as the "Partnerships"), own and operate multifamily housing projects in Palm Beach County which qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code; and

WHEREAS, on November 21, 2000, Palm Beach County, a political subdivision of the State of Florida (the "Lender"), made a loan to Marina in the amount of \$291,950, pursuant to a Loan Agreement (R-2000-1932), promissory note, mortgage and certain other loan document (the "First Loan"); and

WHEREAS, on July 12, 2005, the Lender made a loan to Marina in the amount of \$50,000, pursuant to a Loan Agreement (R-2005-1345), promissory note, mortgage and certain other loan documents (the "Second Loan"); and

WHEREAS, on June 3, 2003, the Lender made a loan to Trust Lake Two in the amount of \$232,663, pursuant to a Loan Agreement (R-2003-831), promissory note, mortgage and certain other loan documents (the "Third Loan"); and

WHEREAS, on July 12, 2005, the Lender made a loan to Trust Lake in the amount of \$200,000, pursuant to a Loan Agreement (R-2005-1344), promissory note, mortgage and certain other loan documents (the "Fourth Loan") (the First Loan, Second Loan, Third Loan and Fourth Loan are collectively referred to as the "Loans"); and

WHEREAS, the general partner of each Partnership, as identified on Exhibit A hereto, has entered into a contract with Shelter Corporation, a Minnesota corporation, and Community Housing Corporation of America, a Delaware non-profit corporation (collectively, the "Purchasers") pursuant to which the Purchasers will together purchase 100% of the general partner interests in the Partnerships; and

WHEREAS, each Partnership, as a borrower of its respective Loan(s), desires to obtain the Lender's consent to the transfer of the Partnership's general partner interests.

NOW THEREFORE, as evidenced by its signature below, the Lender agrees as follows:

1. Consent to Transfer. The Lender hereby consents to the transfer of 100% of the general partner interests in the Partnerships to the Purchasers.

2. No Further Action. Notwithstanding any provisions to the contrary in the notes, mortgages, loan agreements, security agreements or any other documents executed in connection with the Loans (the "Loan Documents"), in order to obtain the Lender's consent to the transfer of the general partner interests in the Partnerships in accordance with the Loan Documents, no further action other than the provision of consent as documented herein is required. Lender

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____

NET FISCAL IMPACT

ADDITIONAL FTE POSITIONS (Cumulative)

Is Item Included In Current Budget? Yes ___ No ___ Budget Account No.:
Fund ___ Agency ___ Org. ___ Object ___ Program Code/Period ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact.

C. Departmental Fiscal Review:


Larry D. Brown, Financial Analyst II

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

OFMB

Contract Dev. and Control

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

ASSUMPTION AND CONSENT OF PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

WHEREAS, Marina Clinton Associates, Ltd. ("Marina"), Trust Lake Park, Ltd. ("Trust Lake") and Trust Lake Park Two, Ltd. ("Trust Lake Two"), each a Florida limited partnership (Marina, Trust Lake and Trust Lake Two are collectively referred to as the "Partnerships"), own and operate multifamily housing projects in Palm Beach County which qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code; and

WHEREAS, on November 21, 2000, Palm Beach County, a political subdivision of the State of Florida (the "Lender"), made a loan to Marina in the amount of \$291,950, pursuant to a Loan Agreement (R-2000-1932), promissory note, mortgage and certain other loan document (the "First Loan"); and

WHEREAS, on July 12, 2005, the Lender made a loan to Marina in the amount of \$50,000, pursuant to a Loan Agreement (R-2005-1345), promissory note, mortgage and certain other loan documents (the "Second Loan"); and

WHEREAS, on June 3, 2003, the Lender made a loan to Trust Lake Two in the amount of \$232,663, pursuant to a Loan Agreement (R-2003-831), promissory note, mortgage and certain other loan documents (the "Third Loan"); and

WHEREAS, on July 12, 2005, the Lender made a loan to Trust Lake in the amount of \$200,000, pursuant to a Loan Agreement (R-2005-1344), promissory note, mortgage and certain other loan documents (the "Fourth Loan") (the First Loan, Second Loan, Third Loan and Fourth Loan are collectively referred to as the "Loans"); and

WHEREAS, the general partner of each Partnership, as identified on Exhibit A hereto, has entered into a contract with Shelter Corporation, a Minnesota corporation, and Community Housing Corporation of America, a Delaware non-profit corporation (collectively, the "Purchasers") pursuant to which the Purchasers will together purchase 100% of the general partner interests in the Partnerships; and

WHEREAS, each Partnership, as a borrower of its respective Loan(s), desires to obtain the Lender's consent to the transfer of the Partnership's general partner interests.

NOW THEREFORE, as evidenced by its signature below, the Lender agrees as follows:

1. Consent to Transfer. The Lender hereby consents to the transfer of 100% of the general partner interests in the Partnerships to the Purchasers.

2. No Further Action. Notwithstanding any provisions to the contrary in the notes, mortgages, loan agreements, security agreements or any other documents executed in connection with the Loans (the "Loan Documents"), in order to obtain the Lender's consent to the transfer of the general partner interests in the Partnerships in accordance with the Loan Documents, no further action other than the provision of consent as documented herein is required. Lender

acknowledges that the transfer of the general partner interests to the Purchasers, in and of itself, will not cause any negative consequences with respect to the Partnerships or their respective partners, including but not limited to, triggering an event of default, triggering a requirement to repay all or a portion of the Loans' principal and/or interest, or triggering any payment or other penalties.

3. Release. The Lender hereby agrees to release each Partnership's general partner and its affiliates from any and all liabilities and obligations with regard to the Loans. The Lender agrees to execute any further documentation requested to evidence such release.

[Signatures appear on the following pages.]

The Purchasers' signatures below evidence their intention to comply with all of the provisions of the Loan Documents and all of the general partner requirements contained therein.

SHELTER CORPORATION

By: Lynn Carlson Schell
Name: Lynn Carlson Schell
Title: President

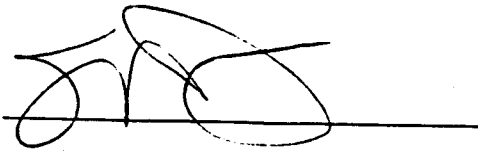
COMMUNITY HOUSING CORPORATION OF AMERICA

By: Susan M Landwehr
Name: Susan M Landwehr
Title: President

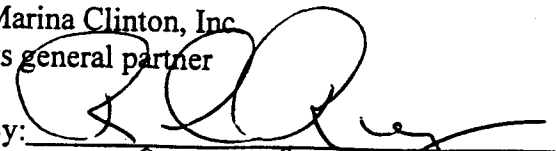
IN WITNESS WHEREOF, the Partnerships and the Lender have caused this Agreement to be executed on _____, 2006.

Signed, sealed and delivered
in the presence of:

MARINA CLINTON ASSOCIATES, LTD.

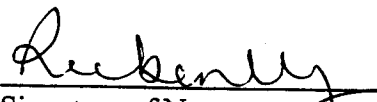


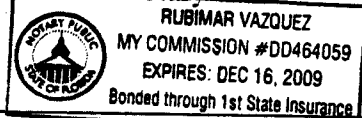
By: Marina Clinton, Inc.
its general partner

By: 
Name: Randy D. Eger
Title: Manager

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 20 day of September, 2006, by Randy Eger Manager of Marina Clinton, Inc., general partner of Marina Clinton Associates, Ltd., who is personally known to me or who has provided _____ as identification and who did/did not take an oath.


Signature of Notary



Typed, Printed or Stamped Name of Notary

My Commission Expires: 12-16-09

Signed, sealed and delivered
in the presence of:

[Signature]

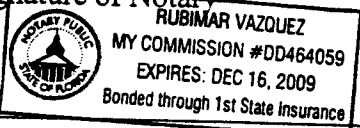
TRUST LAKE PARK TWO, LTD.

By: Trust Lake Park Associates Two, D.L.C.,
its general partner

By: [Signature]
Name: Randy Rieger
Title: Manager

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 20 day of September, 2006, by Randy Rieger Manager of Trust Lake Park Associates Two, L.L.C., general partner of Trust Lake Park Two, Ltd., who is personally known to me or who has provided _____ as identification and who did/did not take an oath.

[Signature]
Signature of Notary

RUBIMAR VAZQUEZ
MY COMMISSION #DD464059
EXPIRES: DEC 16, 2009
Bonded through 1st State Insurance

Typed, Printed or Stamped Name of Notary

My Commission Expires: 12-16-09

Signed, sealed and delivered
in the presence of:

TRUST LAKE PARK, LTD.

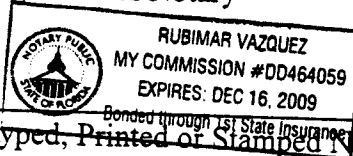
By: Trust Lake Park Associates, L.L.C.,
its general partner

By: [Signature]
Name: Randy Kueper
Title: Manager

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 20 day of September, 2006, by Randy Kueper Manager of Trust Lake Park Associates, L.L.C., general partner of Trust Lake Park, Ltd., who is personally known to me or who has provided _____ as identification and who did/did not take an oath.

[Signature]
Signature of Notary



Typed, Printed or Stamped Name of Notary

My Commission Expires: 12-16-09

ATTEST:

PALM BEACH COUNTY, FLORIDA, a
political subdivision of the State of Florida,
by its:

Sharon R. Bock

BOARD OF COUNTY COMMISSIONERS

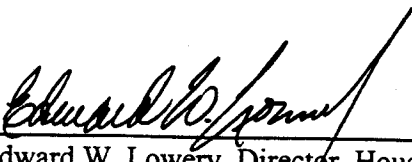
By: _____
Deputy Clerk

By: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
County Attorney

By:  _____
Edward W. Lowery, Director, Housing and
Community Development Department.




EXHIBIT A

Partnership

Marina Clinton Associates, Ltd.
Trust Lake Park, Ltd.
Trust Lake Parke Two, Ltd.

General Partner

Marina Clinton, Inc.
Trust Lake Park Associates, L.L.C.
Trust Lake Park Two Associates, L.L.C.