

## **AGENDA ITEM SUMMARY**

Meeting Date: March 13, 2007 [ ] Consent [X] Regular  
[ ] Public Hearing  
Department: Housing and Community Development  
Submitted By: Housing and Community Development

**Motion and Title: Staff recommends motion to approve:** a Release of Restrictions for Hope House of the Palm Beaches, Inc., releasing them from two Declarations of Restrictions executed in favor of Palm Beach County, in exchange for payment \$101,534.56.

**Summary:** On November 4, 1997, and on October 19, 1999, Palm Beach County entered into two agreements with Hope House of the Palm Beaches, Inc., (Hope House) allocating \$44,000, and \$75,000, respectively, from its Federal Community Development Block Grant (CDBG) funds (no County funds were used). These funds were allocated for improvements to the buildings at Kings Court (located on Wedgewood Way in unincorporated West Palm Beach) where housing was provided to women with HIV/AIDS and their dependent children. A Declaration of Restrictions was executed by Hope House in favor of Palm Beach County to secure the amount funded under each agreement, and the two Declarations of Restrictions were recorded in the public records encumbering the property then owned by Hope House. Of the total \$119,000 allocated, \$101,535 were expended on the improvements needed by Hope House (the remaining unexpended funds reverted to the County). The requested Release of Restrictions will remove the encumbrances in exchange for the receipt of a reimbursement of the expended amount. (District 6) (TKF)

**Background and Policy Issues:** In 1997, date of the first agreement with Palm Beach County, Hope House was providing services at this property which it had owned since 1992. In 2002, as a pre-condition to receiving funds to enable the continuation of services, Hope House could no longer be both owner of the property and provider of services. Kings Court Community Development Corp. was created as a subsidiary to receive title to the property, and to lease it back to Hope House to enable the continuation of services. In 2004, with severe maintenance and repair issues, and under the threat of foreclosure due to dwindling resources to honor its mortgage obligations, the new board of directors and attorney at that time (who were unaware of the existence of the encumbrances created by the two Declarations of Restrictions), sold the property to Wedgewood Blue, Inc., and leased it back from them. This avoided foreclosure, and allowed Hope House to continue to provide of services. More recently, Hope House has been unable to secure grant funding to continue serving its clients, and is now phasing out its operations. In this phase out process Hope House retained the amount of the County's assistance (\$101,535) in escrow with its attorney. The terms of the Declarations of Restrictions require Hope House to reimburse the County in the amount of the fair market value of the property less any expenditures of non-CDBG funds for acquisition of, or improvements to the property. Staff believes that computation of the reimbursement amount according to the terms of the Declarations of Restrictions is arduous due to the conveyances that have taken place, and the difficulty in establishing a retroactive fair market value of the property. Staff has calculated an estimate of the reimbursement amount that would be required under this clause, and believes it to be in excess of the \$101,535 offered by Hope House. Hope House has represented that this is the amount of their remaining assets. Staff recommends the acceptance of Hope House's offered amount since they have no other assets to use as a payoff. This will reimburse the County the amount expended.

**Attachments:** Release of Restrictions

(SEE PAGE 2 FOR OFMB/PREM/CONTRACT ADMINISTRATION COMMENTS)

Recommended by: Edward W. Hornum 3/14/07  
Department Director Date

Approved By: Sharon G. Brewer 2/21/07  
Assistant County Administrator Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2007	2008	2009	2010	2011
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	( \$101,535 )	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	( \$101,535 )	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	N/A	_____	_____	_____	_____

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

**Approval of this agenda item will provide Housing and Community Development with a \$101,535 refund, which will be used for other projects under Community Development Block Grant.**

### C. Departmental Fiscal Review: Larry D. Brown, Financial Analyst II

*LDB*

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

*Jim Smith 2-27-07*  
OFMB 2/27/07  
CN 02/26/07

*Jim J. Jacobson 2/28/07*  
Contract Development and Control  
2/28/07

### B. Legal Sufficiency:

*[Signature]* 3/1/07  
Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
Department Director

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

Return to:

**RELEASE OF RESTRICTIONS**

Palm Beach County, Florida, the owner and holder of two Declarations of Restrictions executed by **Hope House of the Palm Beaches, Inc.**, to the Board of County Commissioners of Palm Beach County, Florida, bearing the date of **September 29, 1997**, recorded in Official Records Book **10128** at page **806**, of the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, in the amount of **Forty Four Thousand** dollars (\$44,000), and bearing the date of **December 2, 1999**, recorded in Official Records Book **11496** at page **833**, of the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, in the amount of **Seventy Five Thousand** dollars (\$75,000), both of which contained certain conditions, restrictions, promises, and obligations, made by the grantor of said Declarations of Restrictions in connection with the property situate in said county and state, and described as follows, to wit:

A parcel of land being a portion of Tract "B", PLAT NO. 1 WEDGEWOOD, as recorded in Plat Book 29, Page 8, Public Records, Palm Beach County, Florida; said parcel being specifically described as follows:

From the Southwest corner of said Tract "B"; thence run North 89° 49' 09" East, along the South line of said Tract "B", a distance of 350.89 feet to the Point of Beginning:

Thence North 00° 04' 08" East, a distance of 126.09 feet; thence North 90° 00' 00" West, a distance of 75.22 feet; thence North 45° 00' 00" East, a distance of 22.88 feet; thence North 00° 00' 00" East, a distance of 125.00 feet to a point on the South right-of-way line of Wedgewood Way as shown on said PLAT NO. 1 WEDGEWOOD; thence South 55° 10' 53" East, along said right-of-way line, a distance of 2.11 feet to the point of curvature of a curve to the left, said curve having a radius of 305.00 feet, a central angle of 35° 08' 01" and a chord bearing of South 72° 44' 54" East; thence Southeasterly along the arc of said curve and said right-of-way line, a distance of 187.03 feet to the point of tangency; thence North 89° 41' 06" East, along said right-of-way line, a distance of 152.59 feet to the Northeast corner of the aforesaid Tract "B"; thence South 00° 04' 08" West, along the East line of said Tract "B", a distance of 211.45 feet to the Southeast corner of said Tract "B"; thence South 89° 49' 09" West, along the South line of said Tract "B", a distance 271.00 feet to the Point of Beginning.

Property Control Number(s): 00-42-43-25-11-002-0020 and 00-42-43-25-18-001-0000

hereby releases its interest in the two above stated Declarations of Restrictions.

Witness my hand and seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PALM BEACH COUNTY, FLORIDA, a  
Political Subdivision of the State of Florida**

Signed, Sealed and Delivered in  
the Presence of:

**BOARD OF COUNTY COMMISSIONERS**

Witness Signature: \_\_\_\_\_  
Witness Name: \_\_\_\_\_

By: \_\_\_\_\_  
Addie L. Greene, Chairperson

ATTEST:  
Sharon R. Bock, Clerk & Comptroller

Witness Signature: \_\_\_\_\_  
Witness Name: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy Clerk

**STATE OF FLORIDA  
COUNTY OF PALM BEACH**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by Addie L. Greene, Chairperson, Board of County Commissioners, who is personally known to me or who produced \_\_\_\_\_ as identification and who did not take an oath.

Notary Name: \_\_\_\_\_  
Notary Public, State of Florida

\_\_\_\_\_  
(Signature)

**Approved as to Form and  
Legal Sufficiency**

(NOTARY SEAL)

By:   
Tammy K. Fields  
Senior Assistant County Attorney