

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: February 7, 2012 Consent Regular
 Ordinance Public Hearing

Department: Department of Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to ratify: approval of a short sale for and acceptance of \$3,000 from Charmettes, Inc. in connection with the Pine Ridge Apartments project.

Summary: On February 2, 1999, the Board of County Commissioners (Board) approved a cash flow dependent loan of \$370,000 in Federal HOME Investment Partnership Program funds to Pine Ridge Apartments Joint Venture for the acquisition and rehabilitation of the Pine Ridge Apartments. On May 10, 2008, Charmettes, Inc. (Charmettes), a non-profit organization, purchased the 12 unit Pine Ridge Apartments with a \$335,000 first mortgage loan from PNC Bank to which the County subordinated its mortgage. As part of the transaction, Charmettes assumed the County's \$370,000 second mortgage on the property located at 1401 Division Avenue, West Palm Beach.

Charmettes was unable to derive sufficient income from the property to cover its debt service and operating expenses as a consequence of which it defaulted on its first mortgage. PNC Bank approved a short sale of the property after it filed for foreclosure when Charmettes defaulted on its first mortgage. The County approved the short sale and accepted \$3,000 from the proceeds of the sale as an alternative to being foreclosed out without receiving any payment at all. Since acceptance of the \$3,000 from this short sale is consistent with the Board approved Short Sale Policy Guidelines which cover homeowners, but not non-profits organizations, the Board is requested to ratify approval of this short sale and the acceptance of \$3,000. No loan payments were received by the County from Charmettes, nor from the Pine Ridge Apartments Joint Venture. No County General Funds were invested in this project. (MHA) District 7 (TKF)

Background and Justification: The Short Sale Policy Guidelines approved by the Board on January 12, 2010, for homeowners allow for the acceptance of the lesser of \$3,000 or eight percent (8%) of the remaining balance owed on the County's second mortgage.

Attachments: none

Recommended By: Edward D. Brown 1/13/2012
 Department Director **Date**

Approved By: Sharon G. Byrd 1/23/12
 Assistant County Administrator **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income	(\$3,000)				
In-Kind Match (County)					
NET FISCAL IMPACT	(\$3,000)				
# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				


Is Item Included In Current Budget? Yes No

Budget Account No.:

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

Proceeds from the short sale will be deposited as program income to the HOME Program.

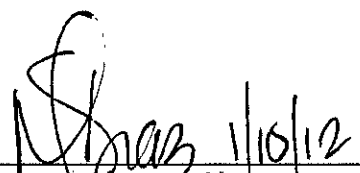
C. Departmental Fiscal Review:



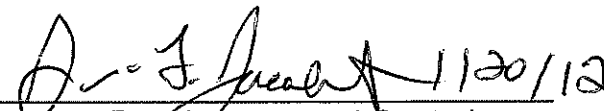
 Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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



 OFMB
 1/10/12
 SB 1/5/12



 Contract Development and Control
 1-20-12 B. Wheeler

B. Legal Sufficiency:



 Senior Assistant County Attorney
 1/23/12

C. Other Department Review:

Department Director