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Agenda Item #: 31-7

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

## **AGENDA ITEM SUMMARY**

**Meeting Date:** 

July 16, 2013

[X] Consent

[] Regular

[ ] Ordinance

[ ] Public Hearing

Department:

**Department of Economic Sustainability** 

#### I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to Receive and File:** Three (3) Agreements, 10 Amendments to Agreements and one (1) Release of Mortgage, as follows:

- A) Agreement with the City of Belle Glade under the Neighborhood Stabilization Program 3 (NSP3);
- B) Amended and Restated Mortgage Agreement with NOAH Development Corporation;
- C) Subordination and Intercreditor Agreement with U.S. Bank National Association;
- D) Amendment No. 003 to the Agreement (R2012-1252) with the City of Riviera Beach under the 2005 Disaster Recovery Initiative Program (DRI2);
- E) Amendment No. 004 to the Agreement (R2012-1252) with the City of Riviera Beach under DRI2:
- F) Amendment No. 002 to the Agreement (R2012-1798) with the Pahokee Housing Authority under DRI2;
- G) Amendment No. 002 to the Agreement (R2012-0137) with the Housing Authority of the City of Belle Glade under the 2005 Disaster Recovery Initiative Program Supplemental Appropriation (DRI3);
- H) Amendment No. 004 to the Agreement (R2011-0618) with the Boca Raton Housing Authority under DRI3;
- I) Amendment No. 003 to the Agreement (R2011-0622) with the Palm Beach County Housing Authority under DRI3;
- J) Amendment No. 003 to the Agreement (R2011-0621) with Neighborhood Renaissance, Inc. under DRI3;
- K) Amendment No. 002 to the Agreement (R2012-1006) with the Pahokee Housing Authority under DRI3:
- L) Amendment No. 001 to the Agreement (R2012-1254) with the West Palm Beach Housing Authority under the 2008 Disaster Recovery Initiative Program (DRI4);
- M) Amendment No. 003 to the Agreement (R2011-1796) with the West Palm Beach Housing Authority under DRI4; and
- N) Release of Mortgage to Oscar and Marta Garcia.

Summary: In accordance with County PPM CW-0-051, all delegated contracts, agreements and grants must be submitted by the initiating Department as a receive and file agenda item. The attached Agreements, Amendments to Agreements and Release of Mortgage have been fully executed on behalf of the Board of County Commissioners (BCC) by the County Administrator, or designee, in accordance with Agenda Items 5F-1, R2006-1351, R2007-1524, R2009-1122, R2009-1677, R2011-0082, 5C-2 and 3B-1, as approved by the BCC on October 22, 2002, July 18, 2006, September 11, 2007, July 7, 2009, October 6, 2009, January 11, 2011 and June 5, 2012, and March 26, 2013, respectively. These executed documents are now being submitted to the BCC to receive and file. These are ad valorem funds, State SHIP funds which require no local match and Federal DRI2, DRI3, DRI4 and NSP3 funds which require no local match. (DES Contract Development) Districts 2, 3, 4, 6 and 7 (TKF)

Background and Justification: (Continued on Page 3)

Attachments: Documents as listed in A through N above.

Recommended By: \_

Department Director

Date

Approved By:

Assistant County Administrator

7 - 11 - 13 Date

#### II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs	1,639,796				
External Revenues	(764,796)			:	
Program Income (County)	(878,000)				
In-Kind Match (County)					
NET FISCAL IMPACT	(3,000)		<u> </u>		

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# ADDITIONAL FTE	-0-			
POSITIONS (Cumulative)	_			

POSITIONS (Cumulative)	
Is Item Included In Current Budget? Yes X No Budget Account No.:	
City of Belle Glade (NSP3) Fund 1113 Dept 143 Unit 1428 Object 8101 Prog Code/Period N340A/GY10: \$20,000 NOAH Development Corporation Fund 1100 Dept 143 Unit 7176 Object 8201 Program Code/Period RFS64/GY12: \$87	
Pahokee Housing Authority – McClure Village (DRI2): Fund 1106 Dept 143 Unit 1421 Object 8201 Program Code/Period DR237B/GY06: \$4 Boca Raton Housing Authority – Boca Island East (DRI3):	
Fund 1108 Dept 143 Unit 1422 Object 8201 Program Code/Period DRI333/GY07: (\$4 Boca Raton Housing Authority – Dixie Manor (DRI3): Fund 1108 Dept 143 Unit 1422 Object 8201 Program Code/Period DRI334/GY07: \$17	
Palm Beach County Housing Authority – Marshall Heights (DRI3): Fund 1108 Dept 143 Unit 1422 Object 8201 Program Code/Period DRI329/GY07: \$ 5	
Neighborhood Renaissance, Inc. (DRI3): Fund 1108 Dept 143 Unit 1422 Object 8201 Program Code/Period DRI321/GY07: \$ 2 Pahokee Housing Authority – McClure Village (DRI3):	
Fund 1108 Dept 143 Unit 1422 Object 8201 Program Code/Period DR39A/GY07: \$35 West Palm Beach Housing Authority – Newton Woods (DRI4): Fund 1106 Dept 143 Unit 1427 Object 8201 Program Code/Period DR337/GY07: \$15	
West Palm Beach Housing Authority – Colony Oaks (DRI4): Fund 1106 Dept 143 Unit 1427 Object 8201 Program Code/Period DRI327C/GY07: \$	
West Palm Beach Housing Authority – Southridge (DRI4): Fund 1106 Dept 143 Unit 1427 Object 8201 Program Code/Period DRI338/GY07: \$ 1 SHIP Program Income	6,661
Fund 1100 Dept 143 Unit 7176 RSRC 6930 Prog Code/Period SH04/GY08: \$3,000	

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

Approval of this agenda item reflects the allocation of \$20,000 to the City of Belle Glade the allocation of \$875,000 to NOAH Development Corporation and recognizes the receipt of \$3,000 in SHIP program income.

C.	Departmental Fiscal Review:	MI		
		Shairette Major, Fiscal Manager I		

#### **III. REVIEW COMMENTS**

A.	pment and Control Comments:		
В.	OFMB Legal Sufficiency:	7/8/13 Ph/13	Contract Development and Control  1-10-13 Bichica
	Chief Assistant County	Afformey	·

C. Other Department Review:

Department	Director	

### Background and Justification: (Continued from Page 1)

On May 23, 2013, the County entered into an Agreement with the City of Belle Glade to provide \$20,000 of NSP3 funds. The City is participating in the County's NSP3 demolition activities which are intended to facilitate the demolition of deteriorated properties. In some instances, the City may have to publish Notices of Condemnation in connection with these demolition activities. This Agreement reimburses the City for such newspaper publication costs.

On March 26, 2013, the BCC approved an Amended and Restated Mortgage Agreement (R2013-0351) with NOAH Development Corporation (NOAH) in connection with the debt restructuring of the Covenant Villas Project, a 144 unit affordable housing project in Belle Glade. The aforesaid document reflected a loan amount which included accumulated interest based on an anticipated closing on April 12, 2013. NOAH was unable to close on such date resulting in the postponement of the closing. The closing took place on May 31, 2013, thereby necessitating the recalculation of interest owed to such date and the re-execution of the Amended and Restated Mortgage Agreement to reflect the closing date and an updated loan amount. The Amended and Restated Mortgage Agreement of May 31, 2013, including a copy of the Renewal Promissory Note for the updated loan amount, is being submitted to the BCC to receive and file.

On March 26, 2013, the BCC approved a Loan Agreement (R2013-0350) with NOAH making \$875,000 available in connection with the debt restructuring of the Covenant Villas Project. As a precondition to making this loan, the Loan Agreement required that the existing first mortgage on the property become subordinate to the County's mortgage lien as embodied in the above mentioned Amended and Restated Mortgage Agreement of May 31, 2013. This Subordination and Intercreditor Agreement places the County's mortgage in first position.

On June 27, 2012, the County entered into an Agreement (R2012-1252) with the City of Riviera Beach, as Amended by Amendment No. 001 (R2012-1803) on September 11, 2012, and Amendment No. 002 (R2013-0143) on December 10, 2012 to provide \$1,105,745 of DRI2 funds to implement a housing rehabilitation program. Amendment No. 003 revises the scope of work to allocate the funding amounts for construction, program delivery and consultant costs, and Amendment No. 004 extends the program completion date from June 15, 2013 to December 14, 2013.

On September 24, 2012, the County entered into an Agreement (R2012-1798) with the Pahokee Housing Authority, as Amended by Amendment No. 001 (R2013-0144) on December 10, 2012, to provide \$2,048,170.60 of DRI2 funds to demolish and reconstruct certain housing units at the McClure Village housing complex. Amendment No. 002 increases the maximum compensation by \$430,132 and extends the project completion date from June 15, 2013 to August 31, 2013.

On October 27, 2011, the County entered into an Agreement (R2012-0137) with the Housing Authority of the City of Belle Glade, as Amended by Amendment No. 001 (R2012-1804) on October 5, 2012, to provide \$1,433,195.20 of DRI3 funds for hurricane hardening improvements at the Agency's Osceola and Okeechobee apartment complexes. Amendment No. 002 extends the project completion date from April 1, 2013 to June 15, 2013.

On February 4, 2011, the County entered into an Agreement (R2011-0618) with the Boca Raton Housing Authority, as Amended by Amendment No. 001 (R2012-0141) on October 22, 2011, Amendment No. 002 (R2012-1257) on August 3, 2012 and Amendment No. 003 (R2012-1806) on October 16, 2012 to provide \$706,962.12 of DRI3 funds for hurricane hardening improvements at the Agency's Boca Island East and Dixie Manor apartment complexes. Amendment No. 004 reduces the funding at the Boca Island East site by \$4,000, provides \$17,900 in additional funding for the Dixie Manor site and extends the project completion date from March 1, 2013 to July 1, 2013.

On February 25, 2011, the County entered into an Agreement (R2011-0622) with the Palm Beach County Housing Authority, as Amended by Amendment No. 001 (R2012-0144) on October 22, 2011, and Amendment No. 002 (R2012-1810) on October 15, 2012 to provide \$230,792.48 of DRI3 funds for hurricane hardening improvements at the Agency's Marshall Heights apartment complex. Amendment No. 003 provides \$53,351.92 in additional funding for the project and extends the project completion date from March 1, 2013 to December 1, 2013.

On January 14, 2011, the County entered into an Agreement (R2011-0621) with Neighborhood Renaissance, Inc., as Amended by Amendment No. 001 (R2012-0143) on October 22, 2011, and Amendment No. 002 (R2012-1809) on October 21, 2012, to provide \$2,056,361 of DRI3 funds for the construction of 13 single family residences in the Westgate/Belvedere Homes neighborhood. Amendment No. 003 provides \$23,500 in additional funding for the project.

On April 23, 2012, the County entered into an Agreement (R2012-1006) with the Pahokee Housing Authority, as Amended by Amendment No. 001 (R2012-1805) on September 24, 2012, to provide \$1,233,164.60 of DRI3 funds for hurricane hardening improvements at the Agency's McClure Village apartment complex. Amendment No. 002 provides \$35,000 in additional funding for the project and extends the project completion date from April 1, 2013 to July 31, 2013.

On June 6, 2012, the County entered into an Agreement (R2012-1254) with the West Palm Beach Housing Authority, to provide \$740,744 of DRI4 funds for hurricane hardening improvements at the Agency's Newton Woods housing development. Amendment No. 001 provides \$150,000 in additional funding for the project and extends the project completion date from June 13, 2012 to December 21, 2013.

On August 27, 2011, the County entered into an Agreement (R2011-1796) with the West Palm Beach Housing Authority, as Amended by Amendment No. 001 (R2012-1260) on June 12, 2012, and Amendment No. 002 (R2013-0146) on December 13, 2012, to provide \$703,098 of DRI4 funds for on-site infrastructure improvements at the Colony Oaks and Southridge housing developments. Amendment No. 003 provides \$38,912 in additional funding for the project (Colony Oaks: \$22,251 and Southridge: \$16,661) and extends the project completion date from June 13, 2013 to December 21, 2013.

On June 22, 2004, Palm Beach County provided Oscar and Marta Garcia \$30,000 in assistance for the purchase of their home at 5082 Glen Cove Lane in unincorporated Palm Beach County. This funding was provided under the State Housing Initiatives Program and was secured by a second mortgage on the property. The homeowners are in default under their private mortgage and in arrears on their obligations to their homeowners' association. Counsel to Deutsche Bank National Trust Company (DBNTC), the private lender, has advised the County Attorney's office of their intent to proceed with a foreclosure action against the homeowners in which the County's mortgage interest in the property would be wiped out. As an alternative to naming the County in DBNTC's foreclosure action they have offered the payment of \$3,000 in exchange for the release of the County's mortgage on the property. The offer was accepted as time was of the essence and the amount accepted is consistent with the amount that would have been due from the homeowners as the mortgage amount reduced every year of residency in the home, and only one year was left on the mortgage.