

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: December 17, 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: five (5) Agreements under the HOME Investment Partnerships (HOME) Program as follows:

- A) Loan Agreement with La Joya Villages, Ltd.; B) Loan Agreement with Ivy Green Veterans Housing, LLC; C) Loan Agreement with NOAH Development Corporation; D) Agreement with Riviera Beach Community Development Corporation, Inc.; and E) Subordination Agreement with Centerline Mortgage Capital, Inc. and Woodlake Preservation, LP.

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 have been fully executed on behalf of the Board of County Commissioners (BCC) by the County Administrator, or designee, in accordance with Agenda Items 3C-1, 5B-3 and 5B-4, as approved by the BCC on August 27, 2013, and September 10, 2013. These executed documents are now being submitted to the BCC to receive and file. These are Federal HOME Program grant funds which require a 25% local match provided with State SHIP funds. (DES Contract Development) Districts 2, 6 and 7 (TKF)

Background and Justification: On October 30, 2013, the County entered into a Loan Agreement with La Joya Villages, Ltd. to provide \$600,000 in HOME funds for the construction of 55 affordable rental housing units in the City of Lake Worth. These units, which will provide a preference to veteran tenants, must be completed and placed into service by September 30, 2017. Funding for this project, which was approved by the BCC on September 10, 2013, will be provided as a four percent (4%) loan for a term of 30 years.

On October 29, 2013, the County entered into a Loan Agreement with Ivy Green Veterans Housing, LLC, to provide \$900,000 in HOME funds for the construction of 75 affordable rental housing units in the City of Riviera Beach. These units must be completed and placed into service by September 30, 2017. Funding for this project, which was approved by the BCC on September 10, 2013, will be provided as a four percent (4%) loan for a term of 30 years.

On October 28, 2013, the County entered into a Loan Agreement with Noah Development Corporation to provide \$500,000 in HOME funds for the rehabilitation of at least 25 existing affordable housing units in the Covenant Villas apartment complex in the City of Belle Glade. These units must be completed and placed into service by September 30, 2017. Funding for this project, which was approved by the BCC on September 10, 2013, will be provided as a four percent (4%) loan for a term of 30 years.

(Continued on Page 3)

Attachments: Documents as listed in A through E above.

Recommended By: [Signature] Department Director Date: 12-3-13

Approved By: [Signature] Assistant County Administrator Date: 12/9/13

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	\$2,897,082				
Operating Costs					
External Revenues	(\$2,897,082)				
Program Income					
In-Kind Match					
NET FISCAL IMPACT	-0-				
# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				

Is Item Included In Current Budget? Yes X No
 Budget Account No.:

Fund 1103 Dept 143 Unit 1434 Object 8201 Program Code/Period various

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

Approval of this agenda item allocates a total of \$2,897,082 to La Joya Villages, Ltd., Ivy Green Veterans Housing, LLC, Noah Development Corporation and Riviera Beach Community Development Corporation, Inc.

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

III. REVIEW COMMENTS

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

Susan Neary 12/5/13
 OFMB KN 12/4 12/4

Dr. J. Jacobson 12/9/13
 Contract Development and Control
 12-9-13 12/9/13

B. Legal Sufficiency:
J. [Signature] 12/9/13
 Chief Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification: (Continued from Page 1)

On October 28, 2013, the County entered into an Agreement with Riviera Beach Community Development Corporation, Inc., to provide \$854,364 in HOME funds for the construction of seven (7) affordable single-family homes for homeownership in the City of Riviera Beach. The Agreement also provides \$42,718 in HOME funds for operating costs and developer fees. These homes must be completed and placed into service by September 30, 2017. Funding for this project was approved by the BCC on September 10, 2013.

On December 17, 1996, the County entered into a HOME Rental Program Assistance and Loan Agreement (Agreement) to provide \$214,100 in HOME funds as a cash flow dependant loan to Golden Lake Housing Associates, Ltd. towards the development of a 224 unit project known as Wood Lake Apartments. On November 14, 2013, Woodlake Preservation, LP (WP) purchased these units using first mortgage financing from Centerline Mortgage Capital, Inc. As a result of this transaction, WP paid the County \$260,784.22 representing the entire principal and owed interest on the loan, and received a Satisfaction of Mortgage and Notice of the Survival of Certain Covenants and Conditions (Satisfaction of Mortgage) (R2013-1078) from the County as approved by the BCC on August 27, 2013. Issuance of the Satisfaction of Mortgage voided certain sections of the recorded Agreement relating to the debt with other sections of the Agreement, including the HOME Program affordability requirements, surviving the closing and continuing as a lien on the property. The Subordination Agreement subordinates the County's lien of the recorded Agreement to that of the new first mortgage to be held by Centerline Mortgage Capital, Inc.