

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: June 3, 2014 [X] Consent [] Regular
[] Ordinance [] Public Hearing

Department: Department of Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to Receive and File: Termination of a Loan Agreement (R2013-1807) with Ivy Green Veterans Housing, LLC.

Summary: On October 29, 2013, the County entered into a Loan Agreement (R2013-1807) with Ivy Green Veterans Housing, LLC. The Loan Agreement provided \$900,000 in HOME Investment Partnership (HOME) funds for the construction of a 75 unit affordable apartment development in the City of Riviera Beach to be known as Heron Estates Veterans Housing Complex. The developers, Related Urban and the Mosnar Group, required additional financing through the Florida Housing Finance Corporation (FHFC). The developer's application was not approved for funding by FHFC and Related Urban has notified the County of their inability to construct the project. Staff will issue a new Request for Proposals for a rental development partner and bring the selection recommendation to the Board of County Commissioners (BCC) for approval. **These are Federal HOME funds which require no local match.** (DES Contract Development) District 7 (TKF)

Background and Justification: The Ivy Green Veterans Housing, LLC project was approved for funding by the BCC on September 10, 2013 (Agenda Item #5B-4) in response to the Department of Economic Sustainability's July 21, 2013, Request for Proposal DES.2013.1.

- Attachments:**
1. Letter of 2/21/14 from Related Urban withdrawing from HOME Program
 2. Letter of 2/28/14 from the County to Related Urban terminating the Loan Agreement
-

Recommended By:  _____ Date: 5-5-14
Department Director Date

Approved By:  _____ Date: 5/12/14
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures					
Operating Costs	(\$900,000)				
External Revenues	\$900,000				
Program Income					
In-Kind Match (County)					
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 N/A :

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

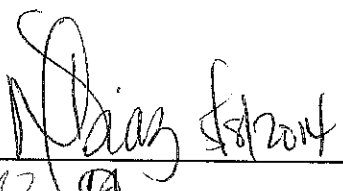
Termination of this Agreement allows the project funds made available through the Agreement to be unencumbered for use in a new project(s) to be determined at a later date.

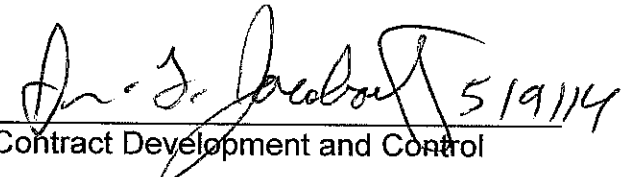
C. Departmental Fiscal Review:


Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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


OFMB 5/10 5/16 5/17


Contract Development and Control

B. Legal Sufficiency:


Chief Assistant County Attorney

C. Other Department Review:

Department Director



February 21, 2014

Mr. Edward Lowery, Director
Palm Beach County
Department of Sustainability
HOME Investment Partnership
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406

Re: Heron Estates Veterans' Housing Complex - \$900,000 Home Loan

Dear Mr. Lowery:

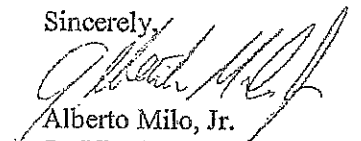
I am writing this letter to notify you that Related Urban has been unable to secure the financing necessary to commence the above referenced project within the timeline of our HOME Loan Agreement.

I would like to take this opportunity to thank you and your staff for the support provided as we attempted to implement this very important veteran's project. As you know, we submitted an application to the Florida Housing Finance Corporation (FHFC) for Veterans' Special Needs Housing in May of 2013. While the application was competitive, a project in Tampa was selected.

In November 2013, we submitted another application to FHFC for a 9% Tax Credit allocation. This application addressed the complexities of the Limited Development Area, Qualified Census Tract and Public Housing site considerations but it received a poor lottery score. We also considered submitting FHFC applications for HOME and SAIL; however, they could not be submitted due to the Limited Development Area status of the site.

While we cannot proceed with a HOME loan closing at this time, Related Urban remains committed to supporting the Riviera Beach Housing Authority and Palm Beach County Administration's affordable housing efforts. If the County deems it in their best interest to rescind its HOME loan allocation, we would not object; however, if the HOME funding is extended we would continue to seek additional financing strategies.

Sincerely,



Alberto Milo, Jr.
Sr. Vice President/Principal
Related Urban

315 South Biscayne Boulevard ♦ Miami, Florida 33131 ♦ T: (305) 460-9900 ♦ F: (305) 460-9911

ATTACHMENT 1



**Department of
Economic
Sustainability**

Administration

100 Australian Avenue
Suite #500

West Palm Beach,
FL 33406

(561) 233-3600

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**Palm Beach
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Board of County
Commissioners**

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Paulette Burdick, Vice
Mayor

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Shelley Vana

Steven Abrams

Mary Lou Berger

Jess R. Santamaria

**County
Administrator**

Robert Weisman,
P.E.

*An Equal
Opportunity
Affirmative Action*

February 28, 2014

Mr. Alberto Milo, Jr.
Sr. Vice President/Principal
Related Urban
315 South Biscayne Boulevard
Miami, Florida 33131

Re: Letter Regarding Heron Estates Veterans' Housing

Dear Mr. Milo:

We are in receipt of your February 21, 2014 letter regarding your efforts to secure the financing necessary to commence the Heron Estates Veterans' Housing complex. Like you, we are disappointed this project will not be moving forward at this time. Palm Beach County was willing to commit \$900,000 in loan funding to facilitate the completion of this most desirable project. Affordable rental housing ear-marked for veterans is definitely a resource that is lacking in our area. However since this project will most likely not be completed in the time frame proposed in your response to our RFP, we must at this time withdraw our offer to commit this financial assistance. Also, due to the federal HOME funding expenditure guidelines, we are not able to provide an extension in this matter. We will thus move to terminate the County Loan Agreement dated October 29, 2013 with Ivy Green Veterans' Housing, LLC.

We appreciate your continuing support to the Riviera Beach Housing Authority and to Palm Beach County. We also look forward to working with Related Urban in the future if the opportunity arises. Please contact me directly at (561) 233-3663 if you have any questions. *Thank you Mr. Milo.*

Sincerely,

Edward W. Lowery, J.D., Director
Department of Economic Sustainability

Cc: John Hurt, Executive Director, RBHA
Bryan K. Finnie, Related Urban
Sherry Howard, Deputy Director DES
Betsy Barr, DES
Ronald Davis, Mosnar Group