Agenda Item #: 31-11

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Department:	Department of Housing and Economic Sustainability					
Meeting Date:	October 16, 2018	[X] Consent [] Ordinance	[] Regular [] Public Hearing			

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

- A) A Loan Agreement with Cutler Ridge Housing Partners, Ltd. (CRHP) for \$115,000 in State Housing Initiatives Partnership (SHIP) Program funds for the construction of the 117 unit Residences at Haverhill affordable rental housing project;
- B) A Mortgage Subordination Agreement with Citibank, N.A. and CRHP; and
- C) Delegation of authority to the County Administrator, or designee, to execute the aforesaid Subordination Agreement and future amendments to the Loan Agreement with CRHP.

Summary: On September 1, 2015 (Agenda Item 3I-5), the Board of County Commissioners (BCC) authorized the allocation of SHIP funds as the required local match under Florida Housing Finance Corporation's (FHFC) Housing Tax Credit Program. The Department of Housing and Economic Sustainability (HES) provided CRHP a conditional award for a \$115,000 loan subject to approval of the Residences at Haverhill affordable housing project by FHFC under the Housing Tax Credit Program. The project, which will contain 117 affordable rental units, has been approved by FHFC and is in progress. The County's funds will be used for construction costs and will be secured by a mortgage and promissory note. The Loan Agreement requires CRHP to pay annual interest payments on the loan over 30 years with the entire principal due at the end of the term. The project will be located at 1281 Stacy Street in unincorporated Palm Beach County. All 117 affordable rental units will be rented to households whose incomes are at or below 60% of the area median income for a period of 30 years. Citibank, N.A. has provided first mortgage financing for this project in the amount of \$23,148,250. CRHP has requested that the County subordinate its \$115,000 mortgage to that of Citibank, N.A. by means of the Subordination Agreement which is attached hereto in substantial form. Delegation of authority to the County Administrator, or designee, to execute the Subordination Agreement, subject to the County Attorney's approval of its content, is requested to enable a timely response when the closing is scheduled. These are SHIP funds which require no local match. District 2 (JB)

Background and Justification: On September 6, and 13, 2015, HES published a Notice of Funding Availability advising interested developers of the availability of SHIP funds to be used as the required local match under the FHFC's Housing Tax Credit Program. Developers were invited to submit Letters of Interest along with various items of information and documentation pertaining to their proposed projects. CRHP submitted the required Letter of Interest with its supporting documentation. HES issued CRHP a conditional award for these funds upon determining the sufficiency of their submission. Approval of this agenda item will increase the supply of affordable housing in unincorporated Palm Beach County.

Attachments:

1. Loan Agreement with Cutler Ridge Housing Partners, Ltd.

2. Subordination Agreement with Citibank, N.A. and Cutler Ridge Housing Partners, Ltd.

Recommended By:	Department Director	9/15/18
	() Department Director	Ďate '
Approved By:	Assistant County Administrator	¹⁰ /9/18 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs	\$115,000				
External Revenues		·····			
Program Income (County)	(\$115,000)	*******			· · · · · · · · · · · · · · · · · · ·
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FIE	-0-		
POSITIONS (Cumulative)	Ŭ		

Is Item Included In Current Budget?	
Does this Item include the use of Federal funds?	

Budget Account No.:

Fund 1100 Dept 143 Unit 7176 Object 8201 Program Code/Period _____

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

Approval of this agenda item will allocate \$115,000 to Cutler Ridge Housing Partners, Ltd. for the Residences at Haverhill project.

C. Departmental Fiscal Review:

Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

10141 ntract Development and Control

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director