

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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<b>Meeting Date:</b>	<b>December 18, 2018</b>	<input checked="" type="checkbox"/> <b>Consent</b>	<input type="checkbox"/> <b>Regular</b>
		<input type="checkbox"/> <b>Ordinance</b>	<input type="checkbox"/> <b>Public Hearing</b>
<b>Department:</b>	<b>Department of Housing and Economic Sustainability</b>		

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**I. EXECUTIVE BRIEF**



**Motion and Title:** Staff recommends motion to: **A) approve** a “Certification of Consistency with the Consolidated Plan” for the Isles of Pahokee II, LLC, in connection with their funding application to the U.S. Department of Housing and Urban Development (HUD); and **B) Authorize** the County Administrator, or designee, to execute this Certification of Consistency with the Consolidated Plan and subsequent Certifications for this project.

**Summary:** The Isles of Pahokee II, LLC (a Housing Trust Group entity) has prepared an application to HUD seeking funding through the Annual Contributions Contract (ACC) Program. HUD requires that the County confirm that the activities are consistent with the County’s current Consolidated Plan through the execution of a form titled “Certification of Consistency with the Consolidated Plan.” The Department of Housing and Economic Sustainability (DHES) has reviewed the Project Abstract for the Isles of Pahokee Phase II (the Project). The Project entails renovation of a 129 public housing units on two sites - Padgett Island, located at Padgett Circle and E. 7<sup>th</sup> Street, and Fremd Village, located at Shirley Drive and Belle Glade Road - both in unincorporated Palm Beach County in the vicinity of the City of Pahokee. The Project will consist of 20 efficiency units, 58 one-bedroom units, 39 two-bedroom units and 12 three-bedroom units. All 129 units will receive an ACC operating subsidy and will be available to elderly households whose incomes do not exceed 60% of Area Median Income. DHES has reviewed the Project Abstract and determined that the Project is consistent with the Consolidated Plan goal to “Increase the supply of affordable rental housing available to very- low, low, moderate, and middle-income residents as well as veterans, elderly, disabled, and homeless persons through new construction and/or rehabilitation of existing units”. Because the Project is consistent with the County’s Consolidated Plan, staff recommends execution of this certification. District 6 (JB)

**Background and Justification:** Palm Beach County’s Consolidated Plan contains the County’s strategy for addressing housing, economic, and community development issues over a five-year period. DHES is responsible for completing the Consolidated Plan in accordance with HUD regulations at 24 CFR Part 91. The current Consolidated Plan, covering the period Fiscal Years 2015-2020, was approved (R2015-049) by the Board of County Commissioners on July 21, 2015.

- Attachment(s):**
- 1. Certification of Consistency with the Consolidated Plan - HUD-2991
  - 2. Isles of Pahokee Phase II - Project Abstract

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<b>Recommended By:</b>	 <b>Department Director</b>	<u>12/5/18</u> <b>Date</b>
<b>Approved By:</b>	 <b>Assistant County Administrator</b>	<u>12/13/18</u> <b>Date</b>

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No X  
Does this Item include the use of Federal funds? Yes \_\_\_\_\_ No X

Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_

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

No Fiscal Impact.

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

III. REVIEW COMMENTS

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

 12/14/18  
OFMB  
 12/11/18  
Contract Development and Control

B. Legal Sufficiency:

 12/12/18  
Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director

Certification of Consistency  
with the Consolidated Plan

U.S. Department of Housing  
and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction’s current, approved Consolidated Plan.  
(Type or clearly print the following information:)

Applicant Name: Isles of Pahokee II, LLC

Project Name: Isles of Pahokee Phase II

Location of the Project: Padgett Circle and E 7th Street, Palm Beach County, FL  
Shirley Drive and Belle Glade Road, Pahokee, Palm Beach County, FL

Name of the Federal  
Program to which the  
applicant is applying: Operating Funds for public housing units under ACC

Name of  
Certifying Jurisdiction: Palm Beach County

Certifying Official  
of the Jurisdiction  
Name:

Title:

Signature:

Date:

Approved as to Form  
and Legal Sufficiency:

By: James Brako  
Assistant County Attorney

ATTACHMENT 1



# Isles of Pahokee Phase II - Project Abstract

<b><u>Owner Legal Name:</u></b>	Isles of Pahokee II, LLC (a Housing Trust Group entity)
<b><u>Owner Address:</u></b>	3225 Aviation Ave., Suite 602 Miami, FL 33133
<b><u>Contact Persons:</u></b>	Matthew Rieger – Executive <a href="mailto:mattr@htgf.com">mattr@htgf.com</a> (305) 860-8188 Jason Larson – Developer <a href="mailto:jasonl@htgf.com">jasonl@htgf.com</a> (561) 523-3289 Mario Robaina – Finance <a href="mailto:marior@htgf.com">marior@htgf.com</a> (786) 347-4539
<b><u>Units:</u></b>	129 Total
<b><u>Year Built:</u></b>	1967 – 1970 in phases
<b><u>Development Type:</u></b>	Preservation of Existing Affordable Multifamily – 9% LIHTC
<b><u>Demographic/Income:</u></b>	Elderly / 20% @ 33% AMI and 80% @ 60% AMI
<b><u>Development Team:</u></b>	Developer: HTG Isles of Pahokee II Developer, LLC (a HTG entity) Co-Developer: Pahokee Development Corp, a Florida not-for-profit corporation Architect: Kimberly A. Dellastatious, P.A. Civil Engineer: Reikenis and Associates, LLC General Contractor: Newport Property Construction, LLC
<b><u>Development location:</u></b>	Padgett Circle and E 7 <sup>th</sup> Street, Palm Beach County, FL and Shirley Drive and Belle Glade Road, Palm Beach County, FL

**Project Overview:**

Isles of Pahokee Phase II is 129 units of Public Housing consisting of 34 buildings set aside to heads of households aged 55 and over.

On October 28<sup>th</sup> 2016, Florida Housing awarded The Isles of Pahokee Phase II development an annual allocation of \$1,209,190 housing tax credits (\$12.1M total allocation) in RFA 2015-111. The property is 100% Public Housing funded through an Annual Contributions Contract.

The projects consists of two scattered sites located in Palm Beach County just outside the limits of the City of Pahokee, Florida. In addition to housing tax credits, all 129 units will receive a HUD operating subsidy in the form of an Annual Contributions Contract (ACC).



Total Unit Mix:

Number of Units	Bedrooms	Bathrooms
20	Efficiency	1
58	1	1
39	2	1
12	3	1
129 Total		

An affiliate of the Pahokee Housing Authority will have an ownership interest in the Partnership.

HTG intends to assign their Member interest in the partnership to the Pahokee Housing Authority affiliate after the release of the Operating Deficit Guarantee and will exit the Partnership. Thereafter HTG will be released from all Guarantees.

The Pahokee Housing Authority or its affiliate shall be given a Right of First Refusal to Purchase the Property or the Investor Limited Partner Interest from the Partnership after the 10-year tax credit period.

**Financing Summary:**

Isles of Pahokee Phase II will generate an estimated total of \$12,091,900 LIHTCs.

Construction Loan:	\$8,000,000
Seller Financing for Building Purchase:	\$4,515,000
Terms of Seller Financing:	Interest Only at AFR payable to the extent of cash flow. Loan term of 50 years.
Capitalized Land Lease Payment:	\$0
Units Covered by Annual Contributions Contract (ACC):	100%

**Competitive Advantage:**

The Isles of Pahokee Phase II will continue to build on what has already been established as a safe, reliable living destination within the area. The renovation of the 129 units will see the continued growth of the area as a support for the elderly demographic demand is met by a dependable affordable product.



20 efficiency units, 58 one bedroom units, 39 two bedroom units, and 12 three bedroom units generate an average monthly rental rate of \$552, approximately half of which is paid through an Annual Contributions Contract (ACC).

The Isles of Pahokee offers tenant paid rental rates at the incredibly low price of \$276 per unit on average. The property has been 100% occupied since its inception in 1970.

Because there is no hard perminant financing, there is no perminnat loan conversion risk.

**Features and Amenities:**

- Community Amenities:
  - Resident communal space with community center
- In-Unit Amenities:
  - Washers/Dryers hook-ups in every unit
  - Open floor plans
  - Energy-Star ceiling fans in all bedrooms
  - Full-size Energy-Star appliances (dishwasher, microwave, range, refrigerator)
  - Resident Programs:
    - Daily Activities
    - Resident Assurance Check In Program
    - Assistance with Light Housing Keeping, Grocery Shopping, and / or Laundry.
- Green Design Features:
  - Energy-Star appliances
  - High performance windows
  - Native species landscaping
  - SEER 14+ HVAC systems
  - Low-flow plumbing fixtures
  - Eco-friendly materials (i.e. green label carpet, low VOC paint)

**Development Program:**

Through a partnership with the Pahokee Housing Authority, Housing Trust Group will be acquiring and substantially rehabilitating 129 units located just outside the city limits of Pahokee, FL.

A 65-year ground lease and purchase and sale agreement for the buildings has been executed with the PHA to develop the Isles of Pahokee Phase II. The development will remain elderly in demographic and serve a mix of 80% units at 60% AMI, 20% units at 33% AMI.



The acquisition of the buildings is being financed with a Seller's Note. The Development will utilize no permanent hard debt. We will utilize a construction loan during the construction phase to bridge the timing of equity payments.

**The Sponsor:**

Housing Trust Group ("HTG") is the developer of Isles of Pahokee Phase II. HTG is an award winning affordable housing developer, committed to providing individuals, families, and seniors with safe, decent, and affordable communities to call "Home." Since our inception in 1997, HTG has developed over 4,000 units (22 multifamily communities) primarily through funding partnerships with local government agencies and not-for-profit partners.

Principals and staff members of the HTG's team have significant experience in developing and operating affordable housing assets. Combined, the development team has over 100 years of experience in financing communities throughout the Southeastern United States and Arizona. Notably, the development staff and principals have successfully developed over 26,000 multifamily rental units, of which approximately 15,000 utilized Low-Income Housing Tax Credits.

**Isles of Pahokee II Site Information**

The projects consists of two scattered sites located in Palm Beach County just outside the limits of the City of Pahokee, Florida.

**Proximity:**

Within a 1.5 mile radius the location serves convenient proximity to medical facilities, grocery stores, pharmacies, public schools and walking distance accessibility to a public busway (0.02 mile distance). The area surrounding The Isles of Pahokee II provides a wide array of public and private amenities for residents as well. An assortment of anchored shopping centers located along E 7<sup>th</sup> St, N Barfield Hwy, E Main St and Bacom Point Rd offer a variety of retail and commercial uses. The neighborhood around The Isles of Pahokee II provides access to fitness facilities, convenience stores, public parks, medical facilities, and restaurants.

The Isles of Pahokee Phase II







**Aerial Site Plan:** Fremd Village Parcel – A portion of parcel 00-37-42-20-04-001-0000

Fremd Village Parcel Unit Mix:

Number of Units	Bedrooms	Bathrooms
18	1	1
31	2	1
49 Total		

EXHIBIT "A"

