

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date:	April 16, 2019	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Department of Housing and Economic Sustainability		

I. EXECUTIVE BRIEF

Motion and Title: **Staff recommends motion to Receive and File:** the following documents:


- A) Amendment 001 to the Agreement (R2018-1583) with The Children’s Place at HomeSafe, Inc. under the Community Development Block Grant (CDBG) Program;**
- B) Subordination Agreement - Governmental Entity with Jones Lang Lasalle Multifamily, LLC, under the State Housing Initiatives Partnership (SHIP) Program;**
- C) Conditional Loan Agreement with Gulfstream Goodwill Industries, Inc., under the SHIP Program;**
- D) Amendment 002 to the Loan Agreement (R2017-0427) with Neighborhood Renaissance, Inc., under the Neighborhood Stabilization Program 2 (NSP2); and**
- E) First Amendment to Mortgage and Security Agreement and Modification of Promissory Note with Neighborhood Renaissance, Inc., under NSP2.**

Summary: Amendment 001 with The Children’s Place at HomeSafe, Inc. will add beneficiaries from a second facility located at their 4854 Haverhill Road Campus. The Subordination Agreement - Governmental Entity with Jones Lang Lasalle Multifamily, LLC, subordinates the County’s mortgage which was received in exchange for a loan for the construction of Calusa Estates, a 114 unit affordable rental project in Belle Glade. The Conditional Loan Agreement with Gulfstream Goodwill Industries, Inc., provides funding for the construction of six (6), single occupant, housing units in West Palm Beach. Amendment 002 with Neighborhood Renaissance, Inc., amends the Loan Agreement which provides up to \$4,500,000 for the construction of Mango Cove Apartments, a 36 unit affordable rental project in unincorporated Palm Beach County. The First Amendment to Mortgage and Security Agreement and Modification of Promissory Note with Neighborhood Renaissance, Inc., extends the completion date of the Mango Cove Apartments project. The attached documents have been executed on behalf of the Board of County Commissioners (BCC) by the Mayor, the County Administrator, and the Director of the Department of Housing and Economic Sustainability in accordance with Agenda Item 31-3, 31-3, 5C-5 and 5C-6, as approved by the BCC on May 17, 2016, July 11, 2017, July 10, 2018 and July 10, 2018, respectively. 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. **Federal CDBG and NSP2 funds as well as State SHIP funds do not require a local match. Countywide (JB)**

Background and Justification: **A)** On October 1, 2018, the County entered into an Agreement (R2018-1583) with The Children’s Place at Home Safe, Inc., to provide \$17,878 in CDBG funds to provide therapeutic and enhanced therapeutic care to abused and neglected children, ages 12 to 17. Amendment 001 entered into on February 20, 2019, adds beneficiaries from the Libra Boys North facility, a second facility located at its 4854 N. Haverhill Road Campus. (Countywide)

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Attachment(s): as listed in A through E above

Recommended By:		<u>3/27/19</u>
	Department Director	Date

Approved By:		<u>4/8/19</u>
	Assistant County Administrator	Date

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)					


Is Item Included In Current Budget? Yes X No
 Does this Item include the use of Federal funds? Yes X No

Fund Dept. Unit Object Program Code/Period

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


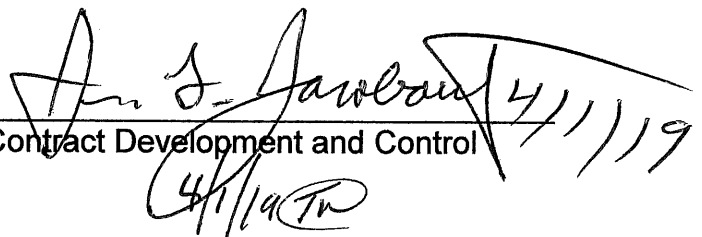
No fiscal impact.

C. Departmental Fiscal Review:


 Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

 3/28/19
 OFMB
 CAM 3/28 9/3/27
 4/1/19
 Contract Development and Control
 4/1/19 TR

B. Legal Sufficiency:

 4/3/19
 Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification: Continued from Page 1

B) On July 11, 2017, the County entered into a Loan Agreement (R2017-0899) with SP Court, LLC to provide \$115,000 in SHIP Program funds for the construction of the Calusa Estates housing project at the northeast corner of State Road 80 and SW 16th Street in Belle Glade. The County's loan was secured by a recorded mortgage. Construction of this 114 unit affordable rental project has been completed. It will be occupied by households whose incomes are at or below 60% of the area median income for a period of 30 years. Now that construction has been completed, SP Court, LLC, is refinancing their construction loan with a permanent first mortgage loan from Jones Lang Lasalle Multifamily, LLC, in an amount not to exceed \$4,000,000. The Loan Agreement anticipated a permanent loan not to exceed \$4,000,000, provided for its approval and delegated authority to the Mayor to execute a Subordination Agreement. This Subordination Agreement subordinates the County's mortgage to the new first mortgage securing the permanent loan from Jones Lang Lasalle Multifamily, LLC. (District 6)

C) On July 10, 2018, the BCC approved Agenda Item 5C-6 which authorized a Conditional Loan Agreement in the amount of \$100,000 with Gulfstream Goodwill Industries, Inc. (GGI), under the SHIP Program. On February 5, 2019, the County entered into the Conditional Loan Agreement with GGI. The funds which were secured by a recorded mortgage provide partial funding for the construction of six (6), single occupant, housing units for developmentally disabled, very-low or extremely-low income residents. The cost construction is estimated to be \$950,000, with funding coming from the Florida Housing Finance Corporation, the City of West Palm Beach and the Quantum Foundation. The project is located on Tamarind Avenue in the City of West Palm Beach. (District 7)

D and E) On February 13, 2017, the County entered into a Loan Agreement (R2017-0427) with Neighborhood Renaissance, Inc. (NRI), to provide up to \$4,500,000 in NSP2 funds for the construction of 36 rental units to be known as Mango Cove Apartments to be located on Florida Mango Road in West Palm Beach. The apartments will be restricted to rental as affordable housing for households whose incomes are at no more than 120% of AMI. The funds for this project come from the sale of up to 20 homes previously acquired by NRI through the use of NSP2 funds. According to the Loan Agreement, the loan amount is established incrementally by Amendments to the Loan Agreement as homes are sold. The first batch of ten (10) homes sold by NRI netted \$2,048,543.30 from the proceeds of these sales and was made available to NRI through Amendment 001 as the first increment of the loan. The second batch of nine (9) homes sold by NRI netted \$1,967,630.48 from the proceeds of these sales and was made available to NRI through Amendment 002 as the second increment of the loan. The total loan amount available to NRI to date is \$4,016,173.78.

On March 15, 2018, NRI executed a mortgage and promissory note in favor of the County which secured the loan of up to \$4,500,000 made available through the above mentioned Loan Agreement. NRI was required to complete construction of the project by April 30, 2019. The First Amendment to Mortgage and Security Agreement and Modification of Promissory Note, as well as Amendment 002 to the Loan Agreement, provide an extension of this deadline to December 31, 2019. (District 2)