

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	June 4, 2019	[] Consent	[X] Regular
		[] Ordinance	[] Public Hearing

Department: Department of Housing and Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: A) approve the acquisition of four (4) parcels of land (Parcels) in the Brooks Subdivision site, located in Riviera Beach; **B) conceptually approve** an Interlocal Agreement (Agreement) with the City of Riviera Beach (City); **C) delegate** authority to the County Administrator, or designee, to execute the Agreement with the City of Riviera Beach and any amendments to the Agreement, along with any documents necessary to complete the acquisition; and **D) authorize** the expenditure of up to \$130,000 to be used for the acquisition of the Parcels.

Summary: Staff recommends Board of County Commissioners' (BCC) approval to expend up to \$130,000 to acquire the Parcels and execute the Agreement with the City to complete the County's ownership of the entire subdivision. Brooks Subdivision is a single-family, mixed-income affordable housing development that was not completed, and remains vacant. It is comprised of 22 parcels, including 18 parcels currently owned by the County and the Parcels currently owned by Prodigy Capital (Prodigy). On April 10, 2018, the BCC authorized the expenditure of up to \$120,000 (Agenda Item 5C-1) to acquire the Parcels through the tax deed process with the maximum amount of the bid not to exceed the appraised value totaling \$98,000. The County was not successful in the bid for \$98,000 and the Parcels were acquired by Prodigy for \$108,500 via a Tax Deed Sale on July 18, 2018. The Parcels are encumbered by multiple code enforcement liens and a mortgage in favor of the City in the amount of \$500,000 (the Mortgage), both of which remained in place after the tax deed sale process. The City and County have reached a proposed settlement with Prodigy to acquire the Parcels for \$130,000. The Purchase price of \$130,000 exceeds the \$98,000 appraisal value by \$32,000 or 33%. If the settlement offer is accepted, the County would contribute \$120,000 toward the purchase and the remaining \$10,000 would be contributed by the City. The City would also process the satisfaction of Mortgage which was conceptually approved by the Riviera Beach City Council on May 15, 2019. At that meeting, as part of the project, the Council requested the County consider establishing an outreach and first-time homebuyer initiative focused on income-eligible teachers, City residents and employees. Contingent on Board approval, staff will finalize the Agreement to define the terms and conditions for the contributions toward the purchase of the Parcels, satisfaction of the Mortgage along with the outreach initiative. After the Agreement is executed, staff will then proceed with the purchase of the Parcels from Prodigy and utilize the remaining \$10,000 from the County for updated title searches, title insurance policies, updated appraisals, and recording costs. The funding for the acquisitions and all expenses related thereto is from the State Housing Initiatives Partnership (SHIP) Program. **This transaction requires a super majority (5 votes) for approval. These are State grant funds which require no local match. District 7 (HF)**

Background and Justification: Brooks Subdivision is a 22 unit single-family housing development in which the County had provided financing by way of a mortgage, dated October 10, 2008, that was secured by 18 of the parcels, to Brooks Subdivision, LLC, a company set up and owned by Northwest Riviera Beach Community Redevelopment Corporation for the purposes of constructing affordable housing. The project was not completed and the County acquired the 18 parcels by way of foreclosure. The Parcels were not included as part of the original mortgage and therefore the County was unable to acquire them through the foreclosure process. Brooks Subdivision, LLC retained ownership of the Parcels, but was unable to pay the property taxes owed on them and they were sold at auction through the Tax Deed Sale process. At the auction, Prodigy was the highest bidder at a total cost of \$108,500. The County's bid was at the appraised value, \$24,500 per parcel, totaling \$98,000. Brooks Subdivision is within an area eligible for Federal, State and/or local housing assistance and programs.

- Attachment(s):**
1. Location Map
 2. Interlocal Agreement with the City of Riviera Beach

Recommended By:	<div style="font-size: 2em; font-family: cursive; color: black; margin-bottom: -15px;"><i>Spring Hernandez</i></div> <hr style="border: 0.5px solid black;"/> Department Director	5-22-19 <hr style="border: 0.5px solid black;"/> Date	
Approved By:	<div style="font-size: 2em; font-family: cursive; color: black; margin-bottom: -15px;"><i>[Signature]</i></div> <hr style="border: 0.5px solid black;"/> Assistant County Administrator	5/31/19 <hr style="border: 0.5px solid black;"/> Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs	\$130,000				
External Revenues					
Program Income	(\$130,000)				
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Current Budget? Yes X No
 Does this Item include the use of Federal funds? Yes No X

Budget Account No.:

Fund 1100 Dept 143 Unit 7176 Object 8201 Program Code/Period BFS54A/6Y17

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

Approval of this item will authorize the purchase of the 4 parcels and appropriate an additional \$10,000 for costs associated with the acquisition.

C. Departmental Fiscal Review: [Signature]
 Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

[Signature] 5/22/19
 OFMB
 [Signature] 5/28/19
 Contract Development and Control

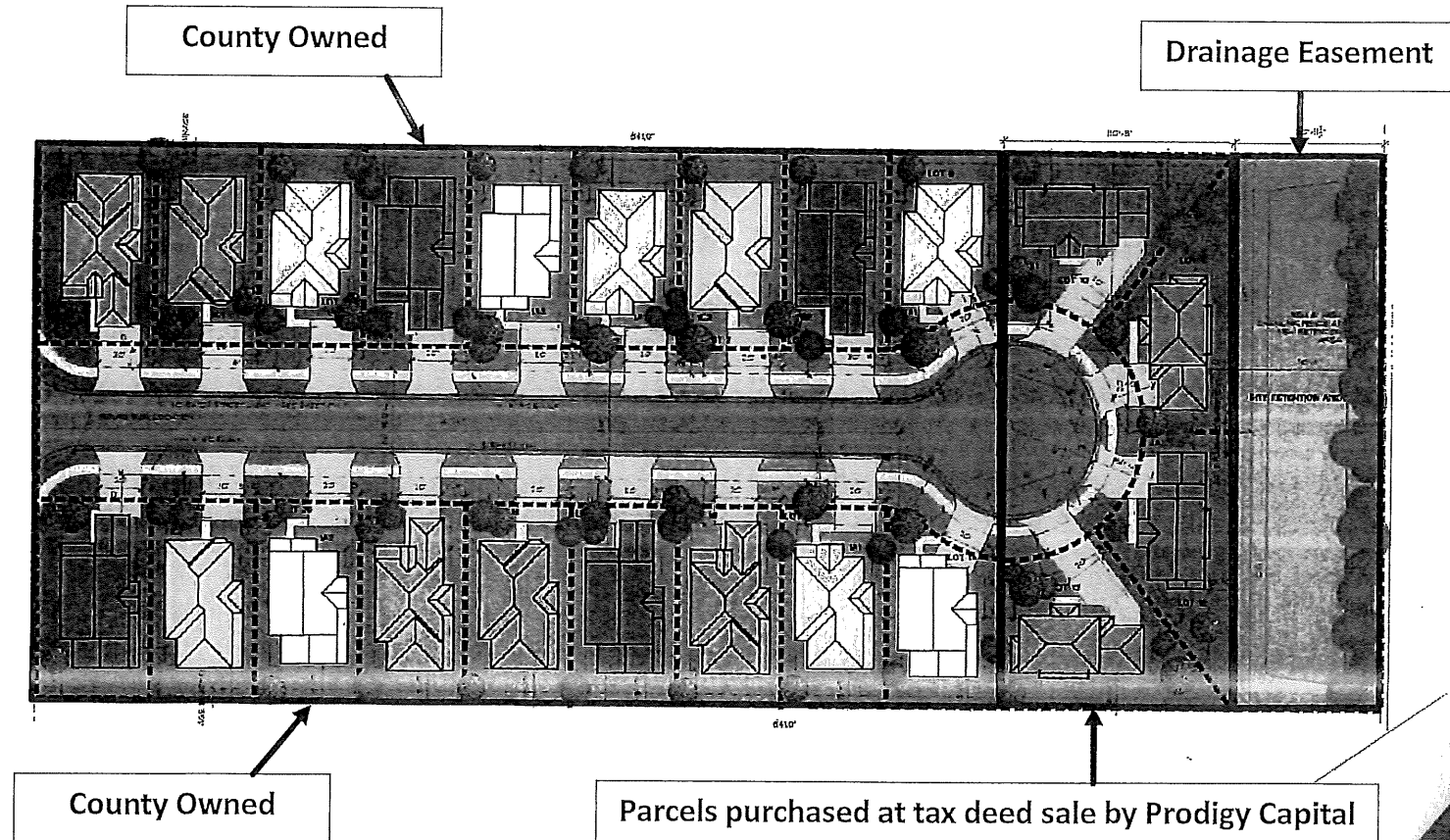
B. Legal Sufficiency:

[Signature]
 Assistant County Attorney
 ILA not signed by City at time of CAD review

C. Other Department Review:

 Department Director

Brooks Subdivision Current Layout



INTERLOCAL AGREEMENT

This Interlocal Agreement is made the 1st day of May, 2019, between the City of Riviera Beach, a municipality located in Palm Beach, Florida (hereinafter "CITY") and Palm Beach County, a political subdivision of the State of Florida, (hereinafter "COUNTY"), each one constituting a public agency as defined in Part I of Chapter 163, Florida Statutes.

WITNESSETH

WHEREAS, Section 163.01, Florida Statutes, known as the "Florida Interlocal Cooperation Act of 1969" authorizes local governments to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities that will harmonize geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, Part I of Chapter 163, Florida Statutes, permits public agencies as defined therein to enter into interlocal agreements with each other to jointly exercise any power, privilege, or authority which such agencies share in common and which each might exercise separately; and

WHEREAS, the parties hereto have a common goal of providing affordable housing opportunities to low and moderate income persons in Palm Beach County; and

WHEREAS, a 22 lot parcel of vacant land, currently known as Brooks Subdivision, hereinafter referred to as the 'Subdivision', provides an opportunity to develop affordable housing on the site; and

WHEREAS, the County currently owns 18 of the parcels within the Subdivision, and intends to acquire the remaining 4 parcels which are encumbered by a Mortgage and Municipal Liens, both payable to the City and a Declaration of Restrictive Covenant that runs with the land, whose modification and or extinguishment is controlled by the City; and

ATTACHMENT 2

WHEREAS, the parties wish to cooperate to ensure clear title to the property to the County to allow for the County's development of the site with affordable housing; and

WHEREAS, the governing bodies of the County and the City have each authorized this Agreement.

NOW THEREFORE, in consideration of the mutual representations, terms, and covenants hereinafter set forth, the parties hereby agree as follows:

Section 1. Purpose

The purpose of this Agreement is to coordinate efforts in achieving the mutual goal of developing an affordable housing solution on the Subdivision, as herein defined.

Section 2. Definitions

The following definitions shall apply to this Agreement:

"Act" means Part I of Chapter 163, Florida Statutes.

"Agreement" means this Interlocal Agreement, including any amendments or supplements hereto, executed and delivered in accordance with the terms hereof.

"Subdivision" means that vacant land consisting of 22 parcels, currently known as Brooks Subdivision as identified in Exhibit "A".

Section 3. Representative/Monitoring Position

The COUNTY'S representative/contract monitor during the term of this Agreement shall be Jeff Bolton, Director of Contract Development and Quality Control for the County's Department of Housing and Economic Sustainability, whose telephone number is (561) 233-3612. The CITY'S representative/contract monitor during the term of this Agreement shall be Karen Hoskins, City Manager, whose telephone number is (561) 845-4000.

Section 4. Effective Date/Term

This Agreement shall take effect upon execution. The term of this agreement shall be for a period of four (4) years, and shall continue in full force and effect up to and through May 1, 2023 unless otherwise terminated as provided herein.

Section 5. Responsibilities and Duties

COUNTY agrees to:

- a) The County shall provide \$120,000 towards the purchase price of \$130,000. Funds shall be presented at closing.
- b) The County shall provide the City with the opportunity to comment on the overall design and implementation of affordable housing at the Subdivision.
- c) The County shall coordinate efforts with one or more non-profit agencies within the City to perform activities for purposes of informing the Riviera Beach community of the home ownership opportunities as well as potential opportunities to participate in the construction and development processes relating to the Subdivision.
- d) The County shall provide assistance to home buyers utilizing existing programs which may be available at the time of purchase.
- e) County will encumber the Subdivision with a restrictive covenant to ensure that the homes will remain affordable housing consistent with the terms of the funding source used to provide down payment assistance for a period of thirty (30) years.

CITY agrees to:

- a) The City shall provide \$10,000 towards the purchase price of \$130,000. Funds shall be presented at closing.

- b) The City, at no cost to the County, shall issue the County a Satisfaction of the Mortgage executed by Brook's Subdivision L.L.C. to the City, dated 11/18/2009, and recorded in Official Record Book 23708, Page 1663, in the sum of \$500,000.
- c) The City, at no cost to the County, shall issue a Release of Liens related to all parcels within the development, including but not limited to, those as recorded in Official Records Book 25083, Page 1315; Official Records Book 25876, Page 1634; Official Records Book 27068, Page 550; Official Records Book 27404, Page 1696 and Official Records Book 29340, Page 143.
- d) The City, pursuant to Section 11 of the Declaration of Restrictive Covenant, as recorded in Official Records Book 23708, Page 1669, shall issue the County a Release of said Declaration of Restrictive Covenant that terminates the Restrictive Covenant.

Section 6. Breach/Opportunity to Cure

The parties hereto expressly covenant and agree that in the event either party is in default of its obligations herein, the party not in default shall provide to the party in default thirty (30) days written notice to cure said default before exercising any of its rights as provided for in this Agreement.

Section 7. Termination

This Agreement may be terminated by either party to this Agreement upon thirty (30) days written notice to the other party.

Section 8. Enforcement Costs

Any costs or expenses (including reasonable attorney's fees) associated with the

enforcement of the terms and/or conditions of this Agreement shall be borne by the respective parties, provided, however, that this clause pertains only to the parties to this Agreement.

Section 9. Notices

All notices required to be given under this Agreement shall be deemed sufficient to each party when delivered by United States Mail to the following:

COUNTY:

Jeff Bolton, Director of Contract Development
Palm Beach County
100 Australian Avenue, 5th Floor
West Palm Beach, FL 33406
Email: JSBolton@pbcgov.org

WITH A COPY TO:

Palm Beach County Attorney's Office
301 North Olive Ave.
West Palm Beach, Florida 33401

CITY:

Deidre Jacobs, City Manager
City of Riviera Beach
1481 W. 15th Street – 2nd Floor
Riviera Beach, FL 33404
Email: Djacobs@Rivierabch.com

WITH A COPY TO:

Torcivia, Donlan, Goddeau & Ansay, P.A.
Northpoint Corporate Center
701 Northpoint Parkway – Suite 209
West Palm Beach, FL 33407
Email: glen@torcivialaw.com

Section 10. Delegation of Duty

Nothing contained herein shall be deemed to authorize the delegation of the constitutional or statutory duties of state, county, or city officers.

Section 11. Filing

A copy of this Agreement shall be filed with the Palm Beach County Clerk of the Circuit Court.

Section 12. Liability

The parties to this Agreement and their respective officers and employees shall not be deemed to assume any liability for the acts, omissions, and negligence of the other party. Further,

nothing herein shall be construed as a waiver of sovereign immunity by either party, pursuant to Section 768.28, Florida Statutes.

Section 13. Indemnification

CITY agrees to protect, defend, reimburse, indemnify and hold COUNTY , its agents, employees and elected officers, and each of them free and harmless at all times from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind or nature whether arising in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission or fault whether active or passive of COUNTY, of anyone acting under its direction or control, or on its behalf in connection with or incident to the performance of this Agreement. CITY'S aforesaid indemnity and hold harmless obligations, or portions or applications thereof, shall apply to the fullest extent permitted by law but in no event shall they apply to liability caused by the negligence or willful misconduct of the COUNTY, its respective agents, servants, employees or officers, nor shall the liability limits set forth in 768.28, Florida Statutes, be waived.

Section 14. Remedies

This Agreement shall be construed by and governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any

other or further exercise thereof.

Section 15. Time of the Essence

The parties expressly agree that time is of the essence in this Agreement and the failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of the other party without liability, in addition to any other rights or remedies, relieve the other party of any obligation to accept such performance.

Section 16. Equal Opportunity Provision

The COUNTY and the CITY agree that no person shall, on the grounds of race, color, sex, national origin, disability, religion, ancestry, marital status, or sexual orientation be excluded from the benefits of, or be subjected to any form of discrimination under any activity carried out by the performance of this Agreement.

Section 17. Captions

The captions and section designations herein set forth are for convenience only and shall have no substantive meaning.

Section 18. Severability

In the event that any section, paragraph, sentence, clause, or provision hereof be held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

Section 19. Entirety of Agreement

This Agreement represents the entire understanding between the parties, and supersedes all other negotiations, representations, or agreement, either written or oral, relating to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials.

(MUNICIPAL SEAL BELOW)

**CITY OF RIVIERA BEACH, a
City duly organized and existing by virtue of the
laws of the State of Florida**

ATTEST:

By: _____
Ronnie Felder, Mayor

By: _____
Claudene L. Anthony, City Clerk

By: _____
Deidre Jacobs, City Manager

**PALM BEACH COUNTY, FLORIDA, a Political
Subdivision of the State of Florida
for its BOARD OF COUNTY COMMISSIONERS**

By: _____
Verdenia C. Baker, County Administrator
Palm Beach County

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Dept. of Housing & Economic Sustainability

By: _____
Howard J. Falcon III

By: _____
Sherry Howard, Deputy Director

Chief Assistant County Attorney

Department of Housing & Economic
Sustainability

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