Agenda Item #: 31-2

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

# AGENDA ITEM SUMMARY

**Meeting Date:** 

April 12, 2022

[X] Consent
[ ] Ordinance

[ ] Regular [ ] Public Hearing

Department:

Housing and Economic Development

# I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to receive and file:** the following HOME funded amendments to Agreements.

- A) Amendment 001 to a HOME Loan Agreement (R2021-1076) with Habitat Housing Solutions, Inc. for \$315,672 extending the completion date from July 31, 2022 to March 31, 2023; and
- **B)** Amendment 001 to a HOME Community Housing Development Organizations (CHDO) Loan Agreement (R2021-1077) with Community Land Trust of Palm Beach County, Inc. for \$92,000 and a grant of \$9,500 extending the completion date from May 31, 2022 to August 31, 2022.

**Summary:** The attached documents have been executed on behalf of the Board of County Commissioners (BCC) by the Director of the Department of Housing and Economic Development in accordance with Agenda Item 5A-3 and 6D-4, as approved by the BCC on February 11, 2020, and November 17, 2020, respectively. Agenda Item 5A-3 dated February 11, 2020, awarded HOME funds to successful respondents to Request for Proposal HES.2019.1, and Agenda Item 6D-4, dated November 17, 2020, awarded HOME/CHDO funds to successful respondents to Request for Proposal HES.2020.1.

The Loan Agreement (R2021-1076) with Habitat Housing Solutions, Inc., provided \$315,672 in HOME funding toward the construction of three single family homes in the Glades area. The COVID-19 resurgence, supply chain issues and delays in the Loan closing have impacted the progress of the project extending project completion from July 31, 2022 to March 31, 2023.

The Loan Agreement (R2021-1077) with the Community Land Trust of Palm Beach County, Inc. provided \$92,000 in HOME funding toward the construction of a single family home in Lake Worth and a \$9,500 grant for CHDO operating costs. COVID-19 related issues have impacted the design portion of the project and an extension of project completion dates from May 31, 2022 to August 31, 2022 is required.

In accordance with County PPM CW-O-051, all delegated contracts, agreements and grants must be submitted by the initiating department as a receive and file agenda item. <u>HOME Program grant funds are Federal funds which require a 25% local match provided by SHIP funds.</u> <u>Districts 3 and 6 (HJF)</u>

**Background and Justification:** The U.S. Department of Housing and Urban Development provides an annual allocation of HOME grant funding to Palm Beach County. HOME works to provide affordable rental housing and homeownership opportunities for persons with incomes no greater than 80% of Area Median Income.

### Attachment(s):

1 Amendment 001 to a HOME Loan Agreement with Habitat Housing Solutions, Inc.

2 Amendment 001 to a HOME CHDO Loan Agreement with Community Land Trust of Palm Beach County, Inc

3 Amendment request letter (HOME Loan Agreement) from Habitat Housing Solutions, Inc.

4 Amendment request letter (HOME CHDO Loan Agreement) from CLT of Palm Beach County, Inc.

Recommended By:	Department Director	Murch 6, 2012 Date
Approved By:	Some M. Much Assistant County Administrator	3/3//2022 / Date

# II. FISCAL IMPACT ANALYSIS

#### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2022	2023	2024	2025	2026
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

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Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				
# ADDITIONAL FTE POSITIONS (Cumulative)  Is Item Included In Current I Does this Item include the u	•	Yes	s X No		
Does this item include the t	ise of Federal	iulius: les	S NO		
Budget Account No.:					
Fund <u>1103</u> Dept. <u>143</u> Unit <u>143</u>	3 <u>4</u> Object <u>8201</u>	Program Co	de/Period <u>Var</u>	<u>rious</u>	
B. Recommended Sources of Funds/Summary of Fiscal Impact:					
No additional fiscal ir	mpact /	1 1		i	
C. Departmental Fiscal F	Review: Sha	airette Major,		or ptor II	
	III. <u>REVIE</u>	W COMMEN	<u>гs</u>		
A. OFMB Fiscal and/or 0	Contract Deve	lopment and	Control Con	nments:	
P -0		A	I A	6	0

<i>F</i> -\.	or mb riscar anazor contract bevelop	ment and control comments.
	Vine Mut 3/20/22 OFMBAH 3-21:22 A) 3-21-22	Contract Development and Control  B-29-ZZ 700
B.	Legal Sufficiency:	
	Assistant County Attorney	
C.	Other Department Review:	

Department Director

# AMENDMENT 001 TO THE LOAN AGREEMENT WITH HABITAT HOUSING SOLUTIONS, INC.

Amendment 001 to the Loan Agreement is made and entered into on <u>February 25, 2022</u>, by and between **Palm Beach County** ("County") and **Habitat Housing Solutions**, **Inc.** ("Borrower").

#### WITNESSETH:

**WHEREAS**, the County entered into a Loan Agreement (R2021-1076) with Borrower on May 11, 2021, to provide \$315,672 of HOME Investment Partnerships Program (HOME) funds for the purpose of constructing three (3) affordable housing units in the Glades Area; and

**WHEREAS**, the Borrower has experienced delays in project implementation due to the resurgence of the COVID 19 virus and interruptions in the supply chain; and

**WHEREAS**, the Borrower has requested, attached hereto as Attachment 1, that the Loan Agreement be revised to reflect the project timeline and related Performance Requirements to successfully complete these affordable homes; and

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### SECTION 3: THE LOAN AND LOAN EXPENDITURE REQUIREMENTS

The following performance requirements and dates are revised as follows:

- 100% of Loan to be drawn by April 30, 2022, is extended to December 31, 2022.
- Certificates of Occupancy to be issued by April 30, 2022, is extended to December 31, 2022.
- Units to be Sold/Placed into Service by July 31, 2022, is extended to March 31, 2023.

The Parties acknowledge that all Sections of the Loan Agreement impacted by these changes are deemed to be revised to reflect the revisions noted above.

**IN WITNESS WHEREOF**, Borrower and the County have caused this Amendment 001 to be executed on the date first above written.

in the presence of:

Witnesses:

HABITAT HOUSING SOLUTIONS, INC., a Florida not-for-profit corporation

By:

Donald Gill, Chief Operating Officer

Witness Name

(SEAL)

Corporation not-for-profit

Witness Signature

Christine Cervantes

Print Witness Name

ORID

O

# STATE OF FLORIDA COUNTY OF PALM BEACH

Signed, sealed and delivered

**Notary Name:** 

MICHAEL R. WILS

Notary Public - State of Florida

(NOTARY SEAL ABOVE)

# PALM BEACH COUNTY, FLORIDA, a Political Subdivision of the State of Florida

FOR ITS BOARD OF COUNTY COMMISSIONERS

Johathan B. Brown, Director

Dept. of Housing & Economic Development

Approved as to Form and Legal Sufficiency

Howard J. Digitally sign. DN: 100-eart, Out-Carty, College III, Eastern III. Bay: Palcon III. Eastern State College III. Decision: you location: you location: you location: you location: you found in the college III. Decision: 2022.00 Footil Reader

Digitally signed by Howard J. Falcon III
DN: DG=org, DC=pbcgov, OU=Enterprise
DU=CATT, OU=Users, CN=Howard J.
Falcon III, E=HFalcon@pbcgov.org
Reason: I am the author of this document
Location: your signing location here
Date: 2022.03.02 15:25:54-05'00'

Howard J. Falcon III
Chief Assistant County Attorney

Approved as to Terms and Conditions Dept. of Housing and Economic Development

Ву:

Sherry Howard Deputy Director

# AMENDMENT 001 TO THE LOAN AGREEMENT WITH COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.

Amendment 001 to the Loan Agreement is made and entered into on <u>February 8, 2022</u>, by and between **Palm Beach County** ("County") and **Community Land Trust of Palm Beach County, Inc.** ("Borrower").

### WITNESSETH:

**WHEREAS**, the County entered into a Loan Agreement (R2021-1077) with the Borrower on June 29, 2021, to provide a loan of \$92,000 and a grant of \$9,500 in HOME Investment Partnership Program funds for the construction of a single family home at 127 South F Street, Lake Worth Beach; and

WHEREAS, the Borrower has experienced delays in project implementation due to the impacts of the COVID 19 pandemic and has requested a ninety (90) extension to the expenditure and project completion requirements in the Loan Agreement; and

**WHEREAS**, the parties agree that it is in everyone's best interest to modify the Loan Agreement to reflect additional time for project implementation.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## A. FOREGOING RECITALS AND TERMS

The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Loan Agreement.

## **B. SECTION 2: GRANT AND GRANT EXPENDITURE REQUIREMENTS**

Delete the Grant expenditure date of "May 31, 2022" and replace it with "August 31, 2022".

## C. SECTION 3: LOAN AND LOAN EXPENDITURE REQUIREMENTS

The Borrower shall implement the Project per the following revised dates:

- The Borrower shall have drawn 50% of the Loan by April 30, 2022.
- The Borrower shall have drawn 100% of the Loan by August 31, 2022.
- The Borrower shall have completed construction of, and secured final certificates of occupancy for, the HOME Assisted Unit by August 31, 2022.
- The Borrower shall have sold the HOME Assisted Unit to a First-Time Homebuyer and placed such unit into service by August 31, 2022.

Except as modified by this Amendment 001, the Loan Agreement, remains unmodified and in full force and effect in accordance with the terms thereof.

Page 1 of 3

This Amendment 001 is expressly contingent upon the approval of the County and shall become effective only when signed by all parties.

**IN WITNESS WHEREOF**, the Borrower and the County have caused this Amendment 001 to be executed on the date first above written.

Signed, sealed and delivered in the presence of:

Witnesses:

Witness Signature

Print Witness Name

Witness Signature

MAL AUGUS Print Witness Name

**BORROWER:** 

COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.

a Florida not-for-profit corporation

Ву:

Cynthia LaCourse-Blum,

**Executive Director** 

Date:

# STATE OF FLORIDA COUNTY OF PALM BEACH

(NOTARY SEAL ABOVE)

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this 37 day of 10 nucry, 2027, by Cynthia LaCourse-Blum, as Executive Director of Community Uand Trust of Palm Beach County, Inc., who is personally known to me, or who has produced 31 left of Classe as identification and who did/did not take an oath.

Signature:

Notary Name:

Notary Public - State of Florida

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# PALM BEACH COUNTY, FLORIDA, a Political Subdivision of the State of Florida

For its BOARD OF COUNTY COMMISSIONERS

By:

Jonathan B. Brown, Director

Dept. of Housing and Economic Development

Approved as to Form and Legal Sufficiency

> Howard J. Falcon III Dale 20

By: Falcon Margarene Howard J. Falcon III **Chief Assistant County Attorney**  Approved as to Terms and Conditions Dept. of Housing and Economic Development

By:

Sherry Howard/ Deputy Director



Peter Gates
Acting CEO
Habitat for Humanity of Palm Beach County
Peter@habitatpbc.org
561-676-1417

Jonathan Brown Director DES

Dear Mr. Brown, I hope you are doing well during these challenging times.

On Behalf of Habitat Housing Solutions, I am requesting an extension to the 2019 Loan Agreement between Palm Beach County and Habitat Housing Solutions Incorporated, dated May 11, 2021, in the amount of \$315,672.

Due to the resurgence of the COVID virus, supply chain issues and the delay in closing the loan, we will have difficulty meeting the April 30, 2022 CO date and would like to amend the agreement and extend the completion dates by nine months. That would change the 100% funds expenditure and the CO date to December 31, 2022 and the occupancy date to March 31, 2023.

We thank you very much for your consideration of the extension request. We appreciate very much our partnership with Palm Beach County and look forward to continuing our great relationship in the future.

Best Regards,

Peter Gates

OFFICERS: Timothy P Wheat President Development/Real Estate Sector Representative

Hazel Lucas Vice President Florida Rural Legal Services

Andrew E. Zeeman Treasurer Peninsular Electric

Silvia Ricketts Secretary CLT Lessee Member

DIRECTORS: Shirley Erazo Delray Beach Housing Authority

Tangenica Henry CLT Lessee Member

Tammy McDonald Palm Beach County Housing Authority

Derrick Penn CLT Lessee Member

Randy S. Wertepny, P.E. Kesahavarz and Associates

Sandra Young CLT Lessee Member



November 15, 2021

Jonathan B. Brown, Director PBC Housing & Economic Development Department 100 Australian Avenue West Palm Beach FL 33406

Re: Extension on HOME CHDO Expenditure Deadlines

Dear Mr. Brown:

I would like to take this opportunity to express my sincere gratitude to you and the Palm Beach County Board of County Commissioners for the strong and continued support of the Community Land Trust of Palm Beach County and the Treasure Coast (CLT of PBCTC). We have partnered with your Department to develop many successful, affordable housing projects in the County.

I am very pleased to report that we have the unit that is being funded with HOME CHDO dollars located at 127 S F Street, Lake Worth Beach, FL under contract to be sold. Unfortunately, due to ongoing Covid related delays, first with getting the HOME CHDO Agreement, and now staff shortages with our design professionals, we need to extend the expenditure deadlines in the Agreement.

The current deadlines in the HOME CHDO Agreement are as follows:

50% expenditure requirement by January 31, 2022 100% expenditure requirement by May 31, 2022 CO requirement by May 31, 2022 Unit sold and project complete by Aug 31, 2022

We are still able to complete the project, and have it sold by August 31, 2022; however, we will need a 3-month extension on the expenditure deadlines. Therefore, we are requesting either a 3-month extension on the 50%, 100%, and CO deadlines or to drop the expenditure and CO deadlines and just have an overall completion deadline of August 31, 2022.

We respectfully request your kind consideration of our request to extend the HOME CHDO Loan. Please let us know what additional information is needed to process this request.

Sincerely,

Cindes La Course-Blum

Cindee LaCourse-Blum, Executive Director

4938 Davis Road • Lake Worth, Florida 33461

ATTACHMENT 4

Phone: (561) 210 000