

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

Meeting Date: May 6, 2025 ☐ Consent ☒ Regular
☐ Ordinance ☐ Public Hearing

Department: Housing and Economic Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) **approve** a Housing Initiative Program (HIP) funding in the amount of \$1,250,000 to Legacy at 45th Street, LLC (Legacy) a wholly owned subsidiary of The Spectra Organization, Inc., for the development of the Legacy at 45th Street Project (Project);
- B) **approve** a Budget Transfer in the amount of \$1,250,000 within the HIP Fund to recognize the allocation of HIP funds to the Project; and
- C) **delegate authority** to the County Administrator, or designee, to execute the Loan Agreement, amendments thereto, and all other documents necessary for project implementation that do not substantially change the scope of work, terms or conditions of the Loan Agreement.

Summary: On October 18, 2022, the Palm Beach County (County) Board of County Commissioners (BCC) approved an American Rescue Plan Act Replacement Fund (ARPA-RF) award for \$5,500,000 for the development of the Project. The Project entails construction of a 48 unit multi-family rental development, which includes no fewer than 34 County-assisted units. Due to complications with the supplier/manufacture, substantial increasing costs of local labor and materials, increased modular unit costs from new supplier/manufacture, increased total development costs, and other factors, Legacy has had to identify additional resources to complete the Project. Other sources of development funding for the Project include loans from the Palm Beach County Housing Authority (Spectra Loan 1 and Spectra Loan 2) and increased funding from the City of West Palm Beach (City). In an effort to ease the issues associated with cash flow during the construction period, the Housing Finance Authority has agreed to provide a bridge loan in the amount of \$3,900,000 during the construction process that will not be a permanent loan on the Project. The \$1,250,000 County HIP loan is seven (7) years interest-only payments due years one (1) – seven (7) and a balloon payment at the end of seven (7) years. Staff requested a longer affordability period and Legacy has agreed to affordability in perpetuity for all County-assisted units. The units are restricted to 44 units at or below 80% of the Area Median Income (AMI) (\$93,520 for a household of four (4)), and four (4) units at or below 60% AMI (\$70,140 for a household of four (4)) as required by HOME Investment Partnerships Program funding from the City. The total Project cost is \$21,050,000 with proposed County assistance totaling \$6,750,000 at a per unit County investment of \$198,529. **(Continued on Page 3)**

Background and Policy Issues: (Continued on Page 3)

Attachments:

1. Term Sheet B (\$1.25M HIP loan)
2. Term Sheet A (\$5.5M ARPA-RF loan)
3. Budget Transfer
4. 2025 Multifamily Income Limits and Rents Chart

Recommended By: Nathan Brown
Department Director

4/16/2025
Date

Approved By: 
Assistant County Administrator

4/22/25
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Capital Expenditures	\$1,250,000				
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$1,250,000				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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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
Does this Item include the use of State funds? Yes _____ No X

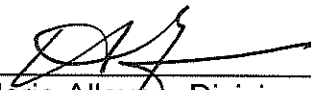
Budget Account No.:

Fund 1116 Dept. 143 Unit 1477 Object 8201 Program Code/Period _____

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

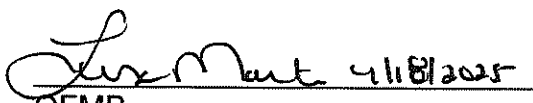
Approval of this agenda item will allocate \$1,250,000 of Housing Initiative Program (HIP) funding to Legacy at 45th Street, LLC for the Legacy at 45th Street Project.

C. Departmental Fiscal Review:


Valerie Alleyne, Division Director II
Finance and Administrative Services, DHED

III. REVIEW COMMENTS

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


OFMB
KK 4/18


Contract Development and Control
26 7.22.25

B. Legal Sufficiency:


4/22/25
Chief Assistant County Attorney

C. Other Department Review:

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

Summary: (continued from Page 1):
Total County investment for this Project is 32%. Funding sources for this Project are as follows:

Funding Partner	Original	Additional	Final
Florida Community Loan Fund	\$ 6,800,000		\$ 6,800,000
Palm Beach County – ARPA-RF	\$ 5,500,000		\$ 5,500,000
Palm Beach County – HIP		\$1,250,000	\$ 1,250,000
City of West Palm Beach	\$ 1,250,000	\$ 400,000	\$ 1,650,000
Spectra Loan 1	\$ 2,500,000		\$ 2,500,000
Spectra Loan 2		\$3,350,000	\$ 3,350,000
Total	\$16,050,000	\$5,000,000	\$21,050,000

The developer has agreed to maintain rents at no more than 80% of Florida Housing Finance Corporation’s established 80% AMI rent limits. Project rents are noted below:

Income Category	Number of Units	Number of Bedrooms	FHFC 2025 Rent Limit	HUD Fair Market Rent	Legacy Proposed Rent
80%	21	One	\$1,755	\$1,670	\$1,404
80%	13	Two	\$2,104	\$1,990	\$1,683

To facilitate Project implementation, staff requests authorization for the County Administrator, or designee, to execute the Loan Agreement and all related documents for this Project. District 7 (HJF)

Background and Policy Issues (continued from Page 1):
In 2021, the BCC began allocating Ad Valorem funding for the HIP to be utilized as gap funding for housing projects facing small financing shortfalls.



MEMO

Department of Housing
and
Economic Development

Contract Development
and
Quality Control Section

100 Australian Avenue – Suite #500

West Palm Beach, FL 33406

(561) 233-3600

www.pbcgov.com/ded

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Dave Kerner

Marci Woodward

Sara Baxter

Mack Bernard

County Administrator

Verdenia C. Baker

"An Equal Opportunity
Affirmative Action Employer"

TO: The SPECTRA Organization, Inc.

FROM: Jonathan B. Brown, Director

RE: Loan Terms

DATE: May 10, 2023

Below are the County terms for the \$5,500,000 ARPA loan to The SPECTRA Organization, Inc. for the construction of The Legacy @ 45th Street.

ARPA Loan Program Terms

- Amount: \$5,500,000
- Interest Rate: 0%
- Affordability Period: 33 Years from the date of first occupancy
- Loan Term: 33 years
 - No payment on Principle and Interest shall be due during: Years 1-7.
 - Graduated Principal payments on the Loan shall be due beginning or before January 15, 2031 and shall be due on or before January 15 of each year thereafter until the Maturity Date, in accordance with the payment schedule set forth on Exhibit A attached hereto and made a part hereof.
- Property Sale: Full Payment due to Palm Beach County
- Construction Start: No later than October 18, 2023
- Annual Monitoring Fee: \$2,500

The Terms outlined above shall be detailed in the Loan Documents consisting of a Loan Agreement, Mortgage & Security Agreement and a Promissory Note.

Receipt and Acceptance of Terms:


Legacy at 45th Street, LLC

Z:\ARPA Projects - Multi Family\SPECTRA Organization\Loan Term Sheet_SPECTRA_REVISED.docx

Exhibit A

PAYMENT SCHEDULE

Date (January 15 of each year)	Annual Installment Amount
2031	\$50,000
2032	\$50,000
2033	\$50,000
2034	\$50,000
2035	\$75,000
2036	\$100,000
2037	\$125,000
2038	\$150,000
2039	\$175,000
2040	\$175,000
2041	\$175,000
2042	\$175,000
2043	\$200,000
2044	\$225,000
2045	\$225,000
2046	\$250,000
2047	\$250,000
2048	\$250,000
2049	\$250,000
2050	\$250,000
2051	\$250,000
2052	\$275,000
2053	\$300,000
2054	\$450,000
2055	\$475,000
2056	\$500,000



DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

COMPREHENSIVE LOAN TERM SHEET

Project and Funding Program Information

Funding program: Housing Initiatives Program Funding (HIP)

NOFA number and name: HED.2022.4 – Affordable Housing Multifamily Development

Project name: Legacy at 45th Street

Developer name: The Spectra Organization, Inc.

Contracting entity: Legacy at 45th Street, LLC

Project type: Multifamily Rental Development – Affordable Housing Development

Brief Project Description:

The project will entail the construction of a forty eight multi-family development located at 3430 45th Street in West Palm Beach, for tenants whose income does not exceed 80% AMI. Rents for the 34 County-assisted units shall not exceed 80% of FHFC's established 80% AMI.

Loan Terms

Loan amount: \$1,250,000

Rental Increases: Rent increases on individual units will be permitted only at lease renewal.

Interest rate: 1%

Affordability period: Perpetuity

Affordability: 34 units for tenants at 80% AMI or below. Rents shall not exceed 80% of FHFC's established 80% AMI.

Number of total project units: 48

Number of County-assisted units: 34

Loan term:

- 7 year term
- Interest only payments years 1-7
- Balloon payment at the end of 7 years.



DEPARTMENT OF HOUSING AND
ECONOMIC DEVELOPMENT

COMPREHENSIVE LOAN TERM SHEET

Term commencement: Upon disbursement of the funds

Property re-sale: If the project development is sold, or 50% (aggregate) or more of the ownership changes to a non-affiliated entity, the loan must be satisfied.

Additional information: Annual Monitoring Fee: \$2,500 – subject to change in the event that Annual Monitoring is outsourced to a third party. Monitoring fee applies per project regardless of the number of County funding sources.

Estimated Construction start: construction has already commenced

Disbursement of funds: Reimbursement of construction expenses – per submitted pay application.

Construction Considerations

Guarantee requirements: Payment and performance bond is required for the full value of the project prior to disbursement of bond funds

Retainage requirements: 5% retainage until work is completed

Eligible Expenses

All development costs shall be allocated on a per-unit basis. Loan funds can only be allocated to those costs deemed as eligible that are directly attributable to County-assisted units. In the event a cost is deemed eligible for something that is a project wide expense, the loan funds can only be used for the percentage of County-assisted units as defined above for that expense.

Eligible expenses shall include, but not be limited to:

Costs include onsite infrastructure development and purchase and onsite installation of modular home units.

Determination of cost eligibility and reasonableness shall be at the County's sole absolute discretion.

The terms outlined above shall be detailed in the loan documents consisting of a loan agreement, mortgage and security agreement, promissory note, and declaration of restrictions.

By signing below you are verifying that you are acknowledging and accepting of loan terms:

☒ **Accept Terms**

☐ **Does Not Accept Terms**

Entity Name: Legacy at 45th Street, LLC

By: Carol Jones - Gilbert

Carol Jones - Gilbert

Name (printed)

CEO

Title

25-0664

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
EXPENDITURE BUDGET TRANSFER

BGEX 143 031425*1049


FUND 1116 - Housing Initiative Fund

ACCOUNT NUMBER	ACCOUNT NAME	UNIT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED as of 03/14/25	REMAINING BALANCE
EXPENDITURES									
1116-143-310F-8201	Contributions Non-Govts - Agnces	SPECTRA Organization, Ltd.	0	0	1,250,000	0	1,250,000		1,250,000
1116-143-1477-8201	Contributions Non-Govts - Agnces	Housing Initiative	52,119,086	37,203,235	0	1,250,000	35,953,235	2,170	35,951,065
Total Expenditures					1,250,000	1,250,000			

SIGNATURES

Valerie Alleyne

Initiating Department/Division



Administration/Budget Department Approval

DATES

4/18/2025

OFMB Department - Posted

BY BOARD OF COUNTY COMMISSIONERS

At Meeting of: 5/6/2025

Deputy Clerk to the Board of County Commissioners

Note: The general hold harmless provisions of IRC Section 142(d)(2)(E) mean that projects with at least one building placed in service on or before the end of the 45-day transition period for newly-released limits use whichever limits are greater, the current-year limits or the limits in use the preceding year.

HUD release: 4/1/2025
Effective: 4/1/2025
Implement on/before: 5/15/2025

2025 Income Limits and Rent Limits
Florida Housing Finance Corporation
Multifamily Rental Programs and CWHIP Homeownership Program
NOTE: Does not pertain to CDBG-DR, HHRP, HOME, NHTF or SHIP

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
		1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
Palm Beach County (West Palm Beach- Boca Raton HMFA)	20%	16,380	18,720	21,040	23,380	25,260	27,140	29,000	30,880	32,732	34,602	409	438	526	608	678	748
	25%	20,475	23,400	26,300	29,225	31,575	33,925	36,250	38,600	40,915	43,253	511	548	657	760	848	935
	28%	22,932	26,208	29,456	32,732	35,364	37,996	40,600	43,232	45,825	48,443	573	614	736	851	949	1,047
	30%	24,570	28,080	31,560	35,070	37,890	40,710	43,500	46,320	49,098	51,904	614	658	789	912	1,017	1,122
	33%	27,027	30,888	34,716	38,577	41,679	44,781	47,850	50,952	54,008	57,094	675	723	867	1,003	1,119	1,235
	35%	28,665	32,760	36,820	40,915	44,205	47,495	50,750	54,040	57,281	60,554	716	767	920	1,064	1,187	1,309
	40%	32,760	37,440	42,080	46,760	50,520	54,280	58,000	61,760	65,464	69,205	819	877	1,052	1,216	1,357	1,497
	45%	36,855	42,120	47,340	52,605	56,835	61,065	65,250	69,480	73,647	77,855	921	987	1,183	1,368	1,526	1,684
	50%	40,950	46,800	52,600	58,450	63,150	67,850	72,500	77,200	81,830	86,506	1,023	1,096	1,315	1,520	1,696	1,871
	60%	49,140	56,160	63,120	70,140	75,780	81,420	87,000	92,640	98,196	103,807	1,228	1,316	1,578	1,824	2,035	2,245
	70%	57,330	65,520	73,640	81,830	88,410	94,990	101,500	108,080	114,562	121,108	1,433	1,535	1,841	2,128	2,374	2,619
	80%	65,520	74,880	84,160	93,520	101,040	108,560	116,000	123,520	130,928	138,410	1,638	1,755	2,104	2,432	2,714	2,994
	90%	73,710	84,240	94,680	105,210	113,670	122,130	130,500	138,960	147,294	155,711	1,842	1,974	2,367	2,736	3,053	3,368
	100%	81,900	93,600	105,200	116,900	126,300	135,700	145,000	154,400	163,660	173,012	2,047	2,193	2,630	3,040	3,392	3,742
	110%	90,090	102,960	115,720	128,590	138,930	149,270	159,500	169,840	180,026	190,313	2,252	2,413	2,893	3,344	3,731	4,116
	120%	98,280	112,320	126,240	140,280	151,560	162,840	174,000	185,280	196,392	207,614	2,457	2,632	3,156	3,648	4,071	4,491
	140%	114,660	131,040	147,280	163,660	176,820	189,980	203,000	216,160	229,124	242,217	2,866	3,071	3,682	4,256	4,749	5,239
HERA Special Limits per Section 142(d)(2)(E) <i>For use by projects that placed in service at least one building on or before 12/31/2008</i>	25% - HS	20,525	23,450	26,375	29,300	31,650	34,000	36,350	38,700	41,020	43,364	513	549	659	761	850	938
	28% - HS	22,988	26,264	29,540	32,816	35,448	38,080	40,712	43,344	45,942	48,568	574	615	738	853	952	1,050
	30% - HS	24,630	28,140	31,650	35,160	37,980	40,800	43,620	46,440	49,224	52,037	615	659	791	914	1,020	1,125
	33% - HS	27,093	30,954	34,815	38,676	41,778	44,880	47,982	51,084	54,146	57,240	677	725	870	1,005	1,122	1,238
	35% - HS	28,735	32,830	36,925	41,020	44,310	47,600	50,890	54,180	57,428	60,710	718	769	923	1,066	1,190	1,313
	40% - HS	32,840	37,520	42,200	46,880	50,640	54,400	58,160	61,920	65,632	69,382	821	879	1,055	1,219	1,360	1,501
	45% - HS	36,945	42,210	47,475	52,740	56,970	61,200	65,430	69,660	73,836	78,055	923	989	1,186	1,371	1,530	1,688
	50% - HS	41,050	46,900	52,750	58,600	63,300	68,000	72,700	77,400	82,040	86,728	1,026	1,099	1,318	1,523	1,700	1,876
	60% - HS	49,260	56,280	63,300	70,320	75,960	81,600	87,240	92,880	98,448	104,074	1,231	1,319	1,582	1,828	2,040	2,251
	80% - HS	65,680	75,040	84,400	93,760	101,280	108,800	116,320	123,840	131,264	138,765	1,642	1,759	2,110	2,438	2,720	3,002