



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#21-0230

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: June 1, 2021

TITLE: Resolution Approving an Amendment to the Terms of a State Housing Initiatives Partnership (SHIP) Rental Rehabilitation Program Loan Agreement, Mortgage, and Promissory Note between Housing Opportunities, Mortgage Assistance, & Effective Neighborhood Solutions, Inc. (H.O.M.E.S., Inc.) and the City of Fort Lauderdale - (**Commission District 2**)

Recommendation

Staff recommends the City Commission adopt a resolution approving an amendment to the terms of a State Housing Initiatives Partnership (SHIP) Rental Rehabilitation Program Loan Agreement, Mortgage, and Promissory Note between Housing Opportunities, Mortgage Assistance & Effective Neighborhood Solutions, Inc. (H.O.M.E.S., Inc.) and the City of Fort Lauderdale.

Background

On August 20, 2009, the City entered into a Rental Rehabilitation Program Mortgage and Promissory Note with H.O.M.E.S., Inc. in the amount of \$171,717.46 at an annual interest rate of three (3) percent. The funds were designated for the renovation of four affordable housing buildings owned and operated by H.O.M.E.S., Inc as well as to cover property insurance premiums as out lined in Exhibit 2.

Repayment of the principal and interest in the amount of \$212,965.48 was scheduled to begin on April 1, 2014 (Exhibit 2). H.O.M.E.S., Inc., failed to make any payments in compliance with the terms of the original agreements and is in default.

Katherine Barry, CEO emeritus of H.O.M.E.S., Inc., expressed that the entity was facing severe financial hardship and could not repay the loan under the current terms. After consulting with Florida Housing Finance Corporation, the City Attorney's Office, and H.O.M.E.S., Inc., a solution was reached and is being presented for City Commission for consideration and approval.

City Staff understands the role of non-profit entities such as H.O.M.E.S., Inc. in the Community and seeks opportunities to support their mission while remaining compliant with state and federal requirements.

The proposed amendment reflects forgiveness of the interest rate, payment of an initial 10% down payment in the amount of \$17,171.75 due at the time of signing, and amortization of the \$154,545.71 balance of the principal over 240 months with equal payments in the amount of \$643.94 to be due on the first of each month beginning July 1, 2021 (Exhibit 1).

Resource Impact

There is no general fund fiscal impact associated with this action.

Strategic Connections

This item is a 2021 Top Commission Priority, advancing the Homelessness and Housing Opportunities Initiative.

This item supports the *Press Play Fort Lauderdale Strategic Plan 2024*, specifically advancing:

- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods.
- Objective: Work with partners to reduce homelessness and self-worth through advocacy, housing, and comprehensive services
- Objective: Ensure a range of affordable housing options

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We are Community*.

Attachments

Exhibit 1 – Amortization Schedule

Exhibit 2 – Promissory Note, Mortgage and Loan Agreement

Exhibit 3 – Resolution

Prepared by Rachel Williams, Housing and Community Development Manager

Charter Officer: Chris Lagerbloom, ICMA-CM, City Manager