



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2017-327, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Appropriate City Officials To Execute The Attached Amendments To The Purchase And Sale Agreement And The Local Government Loan Contribution Agreement Between Pinnacle At Peacefield And The City Of Hollywood For The Development Of An Affordable Housing Project On Adams Street.

Staff Recommends: Approval of Resolution

Explanation:

On or about November 5, 2015, the City of Hollywood, Florida and Pinnacle at Peacefield, LLC entered into a Purchase and Sale Agreement pursuant to which the City was to sell to Pinnacle certain property on Adams Street. At the same time, the City of Hollywood, Florida Community Redevelopment Agency and Pinnacle entered into a Purchase and Sale Agreement pursuant to which the CRA was to sell to Pinnacle certain property that abuts the City property referenced above.

After the sale of these properties, Pinnacle was to develop an affordable senior housing project on them, subject to a tax credit contingency consisting of: (i) an award from Florida Housing in connection with Request for Applications No. 2015-107 (the "RFA") issued by Florida Housing for Federal Income Tax Credits under the Low Income Housing Tax Credit Program in an amount sufficient, in Pinnacle's sole and absolute discretion, to enable Pinnacle to acquire the Property and construct its intended improvements on the Property, with all time to appeal such award having expired and with no appeal then pending and no appeal instituted or petition filed, and (ii) a binding commitment acceptable to Pinnacle in its sole and absolute discretion for a syndication/sale of such Tax Credits to an investor. Pinnacle filed an application for Tax Credits as contemplated by the executed agreement. The City and Pinnacle acknowledged that Pinnacle's application for Tax Credits was not successful, and the City and Pinnacle desired to amend the agreement to give Pinnacle the opportunity to submit an application to Florida Housing in the then upcoming RFA 2015-113. The City and Pinnacle desired to amend the agreement on the terms and conditions that included the addition of a provision stating that the agreement cannot be extended beyond June 30, 2016 without the City's consent. Pinnacle filed an application for Tax Credits as contemplated by the executed agreement. The City and Pinnacle acknowledged that

Pinnacle's application for Tax Credits was not successful. The City and an entity affiliated with Pinnacle known as Pinnacle at Peacefield, Ltd desire to once again enter into a Purchase and Sale Agreement with the City and CRA, including the addition of a provision stating that the agreement cannot be extended beyond November 30, 2017. In order to apply for Tax Credits, a local government contribution is required and in order to see the successful revitalization of this Property, the City will provided a local government loan contribution agreement in an amount not to exceed Five Hundred and Seventy-Eight Thousand Dollars (\$578,000.00). The sources of the Loan shall be, \$144,000.00 from the City of Hollywood Community Redevelopment Agency, \$350,000.00 from the City NSP-1, and \$84,000.00 from HOME funds and are due at the closing for Tax Credits.

On or about December 14, 2016, the City approved Resolution R-2016-376 to amend the Purchase and Sale Agreement pursuant to which the City is to sell to Pinnacle certain property on Adams Street and the City also approved Resolution R-2016-377 to provide a Local Government Loan Contribution not To Exceed Five Hundred And Seventy-Eight Thousand Dollars (\$578,000.00) to the project for the development of an Affordable Senior Housing Project On Adams Street. On or about April 26, 2017, Pinnacle indicated that the Florida Housing Corporation Review Committee had Pinnacle at Peacefield considered to be the highest ranked application in Broward County. On or about May 25, 2017, Pinnacle requested an extension of the closing date pursuant to a provision within the Purchase and Sale Agreement requesting a closing date not to exceed November 30, 2017. On or about September 25, 2017, Pinnacle was provided an invitation for Credit Underwriting by Florida Housing for Pinnacle at Peacefield. In order to allow more time to complete certain entitlements and to close on the financing for the project, amendments to the Purchase and Sale Agreement and Local Loan Contribution Agreements are required. The City and Pinnacle desire to amend the agreements on the terms and conditions that included the addition of provisions stating that the agreements cannot be extended beyond June 30, 2019 without the City's consent.

Recommended for inclusion on the agenda by:
Dr. Wazir Ishmael, City Manager
Gus Zambrano, Assistant City Manager
Shiv Newaldass, Chief Development Officer