



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

New Business - Community Services Group

J.1.

3/9/2021

Subject:

Approval of Settlement Agreement with North Brevard Charities Sharing Center, Inc. (\$61,513.64)

Fiscal Impact:

FY20-21 - There will be no impact to the General Fund. Settlement funds will be placed back into the State Housing Initiatives Partnership fund as program income to be reused for program activities.

Dept/Office:

Housing and Human Services

Requested Action:

It is requested that the Board of County Commissioners approve and authorize: (1) the County Manager or designee to sign a Settlement Agreement with North Brevard Charities Sharing Center, Inc., in the amount of \$61,513.64 upon approval by the County Attorney and Risk Management, (2) the funds be allocated back to the State Housing Initiatives Partnership (SHIP) fund, (3) the execution of a satisfaction of the Mortgage Deed and Security Agreement with North Brevard Charities Sharing Center, Inc., corresponding to these properties, (4) the County Manager or designee to complete all required actions and execute all necessary documentation upon approval by the County Attorney and Risk to convey these properties to the Allen Condo Association, Inc., and (5) the County Manager to execute all necessary budget change requests.

Summary Explanation and Background:

In 2008, approval was given to purchase two condos in Cocoa (1711 Dixon Boulevard, Unit 53 and Unit 66). The initial allocation was \$45,000 per unit (\$90,000 total) in State Housing Initiatives Partnership (SHIP) funds, which included all acquisition and rehabilitation costs. The units were intended to be rented to households at or below 30% of area median income for twenty years. Subsequent issues with the originally approved agency required the transfer of the properties to a more stable organization. North Brevard Charities Sharing Center, Inc. (NBCSC) was and continues to be a Community Housing Development Organization (CHDO) in good standing and was chosen to receive the properties in 2008.

NBCSC maintained the units in accordance with program guidelines and requirements until a fire gutted the upper unit and rendered it uninhabitable. Repairs to the outside (shell) of the units were the responsibility of the Homeowners Association (Allen Condo Association, Inc.) and needed to be completed before NBCSC could complete interior repairs. However, the roof repair was completed without the use of a licensed contractor and did not receive a permit from the City of Cocoa. The City of Cocoa's Code Enforcement Division has deemed the unit uninhabitable and the roof repairs as inadequate. As a result, the unit is non-compliant with City code and has been accumulating daily fines for several years (currently above \$300,000). NBCSC and the Allen Condo Association, Inc., are in current litigation regarding the properties and the units continue to deteriorate due to the poor repairs to the shell.

NBCSC was approached by the Allen Condo Association, Inc., regarding an offer to purchase the units. The offer, plus insurance proceeds from the fire will result in the County receiving \$61,513.64 towards the mortgage balance of \$90,000. The current value of the properties, per the Property Appraiser's Office, is \$26,290 (\$4,790 for the burned-out unit and \$21,500 for the other unit) and it is questionable whether the value of the properties will ever approach the outstanding balance of the mortgage.

Clerk to the Board Instructions:

None



March 10, 2021

M E M O R A N D U M

TO: Ian Golden, Housing and Human Services Director

RE: Item J.1., Settlement Agreement with North Brevard Charities Sharing Center, Inc. for \$61,513.64

The Board of County Commissioners, in regular session on March 9, 2021, approved and authorized the County Manager, or his designee, to execute a Settlement Agreement with North Brevard Charities Sharing Center, Inc. in the amount of \$61,513.64 upon approval by the County Attorney and Risk Management; authorized the funds to be allocated back to the State Housing Initiatives Partnership (SHIP) fund; approved execution of a Satisfaction of Mortgage Deed and Security Agreement with North Brevard Charities Sharing Center, Inc. corresponding to these properties; authorized the County Manager, or his designee, to complete all required actions and execute all necessary documentation upon approval by the County Attorney and Risk Management to convey these properties to the Allen Condo Association, Inc.; and authorized the County Manager to execute all necessary Budget Change Requests.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

for: Donna Scott
Kimberly Powell, Clerk to the Board

cc: County Manager
Finance
Budget