



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Public Hearing

H.6.

5/21/2024

Subject:

Public Hearing, Re: Defeasance of a United States Department of Housing and Urban Development (HUD) Section 108 Loan (\$1,064,646.77 Grant Funds)

Fiscal Impact:

Defeasement of a Section 108 loan (West Canaveral Groves B-14-UC-12-0011-A) will be accomplished by utilizing \$1,064,646.77 in Community Development Block Grant (CDBG) funds already awarded to Brevard County. This action will not impact currently approved projects or the solicitation of future projects. There will be no impact to the General Fund.

Dept/Office:

Housing and Human Services

Requested Action:

It is requested that the Board of County Commissioners:

1. authorize the Housing and Human Services Department Director to take all steps necessary (including endorsing documents) to complete the defeasement of a United States Department of Housing and Urban Development (HUD) Section 108 (West Canaveral Groves B-14-UC-12-0011-A) loan upon approval of Risk Management and the County Attorney's Office and
2. authorize the County Manager to approve any related budget change requests.

Summary Explanation and Background:

Under the provisions of 24 CFR 570.902 of the Community Development Block Grant (CDBG) regulations, a grantee is considered to be timely, if 60 days prior (August 2nd of every year) to the end of the grantee's program year, the balance in its line-of-credit (LOC) does not exceed 1.5 times the annual grant. Currently, our LOC exceeds this threshold due to issues regarding contract regulations and private development impacting previously approved projects (for example, a more than 1,000 linear foot sidewalk project was impacted by the development of a subdivision, which has caused delays due to school busing issues and added a railroad crossing which requires additional state review). These factors have hindered requirements related to "timeliness" as defined by HUD. The consequence of violating the timeliness requirement could be a reduction in the County's future allocations.

Along with opening up requests for new projects from the communities, staff initiated a conversation with HUD regarding using CDBG funds for the defeasance of a Section 108 loan as a means to meet the timeliness requirement. The HUD representatives stated it was an appropriate use of the funds and expedient considering the current impediments relating to project expenditures.

The Board of County Commissioners approved two Section 108 loans through the United States Department

of Housing and Urban Development (HUD) on April 28, 2015 and the notes were finalized on March 28, 2019. One was for the installation of a waterline and fire hydrants in the West Canaveral Groves Neighborhood Strategy Area (NSA) and the other was to fund half of the construction of the Health Department Clinic in Melbourne. The loans have 20-year terms, utilize Community Development Block Grant (CDBG) funds for payment, and required the County to set aside General Funds equal to one year's debt service. Payment on the loans (utilizing CDBG funds) commenced upon completion of each project. Additionally, during the term of the loan the West Canaveral Groves NSA is under a moratorium and unable to submit new projects under CDBG. This action will allow the community to apply for new projects 13 years sooner.

The defeasement of the West Canaveral Groves NSA loan (B-14-UC-12-0011-A) will allow the Department to meet timeliness, eliminate the remaining term of the loan (13 years), allow the community to seek new CDBG projects, and reduce the General Fund guarantee by approximately \$104,174.

Per HUD regulations and the local Citizen Participation Plan, notice of a thirty-day Public Comment Period was placed in a newspaper of general circulation beginning on April 21, 2024 with an end date of May 20, 2024. As of May 13, 2024, no public comments have been received.

Clerk to the Board Instructions:

None



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Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

May 22, 2024

M E M O R A N D U M

TO: Ian Golden, Housing and Human Services Director


RE: Item H.6., Defeasance of a United States Department of Housing and Urban Development (HUD) Section 108 Loan (\$1,064,646.77 Grant Funds)

The Board of County Commissioners, in regular session on May 21, 2024, authorized you to take all steps necessary (including endorsing documents) to complete the defeasance of a United States Department of HUD Section 108 (West Canaveral Groves B-14-UC-12-0011-A) loan upon approval of Risk Management and the County Attorney's Office; and authorized the County Manager to approve any related Budget Change Requests.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK


Kimberly Powell, Clerk to the Board

/ns

cc: County Manager
County Attorney
Risk Management
Finance
Budget

THE BANK OF NEW YORK MELLON
HUD 108 CONSOLIDATED AMORTIZATION SCHEDULE

FOR SERIES: 2019 - A

BORROWER: Brevard County, FL
NOTE NUMBER: B-14-UC-12-0011-A
AMOUNT OF NOTE: \$1,629,000

NOTE DATE: 3/28/2019

PAYMENT DATE	INTEREST DUE	PRINCIPAL DUE	TOTAL P & I	UNPAID PRINCIPAL
8/1/2019	\$ 16,826.66	\$ 85,000.00	\$ 101,826.66	\$ 1,544,000
2/1/2020	\$ 23,544.88	\$ -	\$ 23,544.88	\$ 1,544,000
8/1/2020	\$ 23,544.88	\$ 85,000.00	\$ 108,544.88	\$ 1,459,000
2/1/2021	\$ 22,461.13	\$ -	\$ 22,461.13	\$ 1,459,000
8/1/2021	\$ 22,461.13	\$ 85,000.00	\$ 107,461.13	\$ 1,374,000
2/1/2022	\$ 21,368.88	\$ -	\$ 21,368.88	\$ 1,374,000
8/1/2022	\$ 21,368.88	\$ 85,000.00	\$ 106,368.88	\$ 1,289,000
2/1/2023	\$ 20,286.40	\$ -	\$ 20,286.40	\$ 1,289,000
8/1/2023	\$ 20,286.40	\$ 85,000.00	\$ 105,286.40	\$ 1,204,000
2/1/2024	\$ 19,173.75	\$ -	\$ 19,173.75	\$ 1,204,000
8/1/2024	\$ 19,173.75	\$ 85,000.00	\$ 104,173.75	\$ 1,119,000
2/1/2025	\$ 18,039.85	\$ -	\$ 18,039.85	\$ 1,119,000
8/1/2025	\$ 18,039.85	\$ 85,000.00	\$ 103,039.85	\$ 1,034,000
2/1/2026	\$ 16,876.20	\$ -	\$ 16,876.20	\$ 1,034,000
8/1/2026	\$ 16,876.20	\$ 85,000.00	\$ 101,876.20	\$ 949,000
2/1/2027	\$ 15,660.70	\$ -	\$ 15,660.70	\$ 949,000
8/1/2027	\$ 15,660.70	\$ 85,000.00	\$ 100,660.70	\$ 864,000
2/1/2028	\$ 14,440.95	\$ -	\$ 14,440.95	\$ 864,000
8/1/2028	\$ 14,440.95	\$ 85,000.00	\$ 99,440.95	\$ 779,000
2/1/2029	\$ 13,172.33	\$ -	\$ 13,172.33	\$ 779,000
8/1/2029	\$ 13,172.33	\$ 85,000.00	\$ 98,172.33	\$ 694,000
2/1/2030	\$ 11,818.70	\$ -	\$ 11,818.70	\$ 694,000
8/1/2030	\$ 11,818.70	\$ 85,000.00	\$ 96,818.70	\$ 609,000
2/1/2031	\$ 10,443.83	\$ -	\$ 10,443.83	\$ 609,000
8/1/2031	\$ 10,443.83	\$ 90,000.00	\$ 100,443.83	\$ 519,000
2/1/2032	\$ 8,965.58	\$ -	\$ 8,965.58	\$ 519,000
8/1/2032	\$ 8,965.58	\$ 90,000.00	\$ 98,965.58	\$ 429,000
2/1/2033	\$ 7,464.83	\$ -	\$ 7,464.83	\$ 429,000
8/1/2033	\$ 7,464.83	\$ 90,000.00	\$ 97,464.83	\$ 339,000
2/1/2034	\$ 5,941.58	\$ -	\$ 5,941.58	\$ 339,000
8/1/2034	\$ 5,941.58	\$ 90,000.00	\$ 95,941.58	\$ 249,000
2/1/2035	\$ 4,395.83	\$ -	\$ 4,395.83	\$ 249,000
8/1/2035	\$ 4,395.83	\$ 90,000.00	\$ 94,395.83	\$ 159,000
2/1/2036	\$ 2,827.58	\$ -	\$ 2,827.58	\$ 159,000
8/1/2036	\$ 2,827.58	\$ 90,000.00	\$ 92,827.58	\$ 69,000
2/1/2037	\$ 1,236.83	\$ -	\$ 1,236.83	\$ 69,000
8/1/2037	\$ 1,236.83	\$ 69,000.00	\$ 70,236.83	\$ -
TOTAL: 37	\$ 493,066.21	\$ 1,629,000.00	\$ 2,122,066.21	

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**PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SUBSTANTIAL AMENDMENT
TO THE 2021 – 2022, 2022 – 2023, AND 2023 – 2024 ANNUAL ACTION PLANS**

DRAFT FOR PUBLIC REVIEW, APRIL 21, 2024

Summary

Brevard County proposes to amend its 2021 – 2022, 2022 – 2023, and 2023 – 2024 Community Development Block Grant (CDBG) Annual Action Plans as required by the U.S. Department of Housing and Urban Development and the local Citizen Participation Plan to identify specific unencumbered funds within the approved Action Plans, which will be adjusted/amended to allow for the early payoff (defeasement) of a Section 108 Loan (Note Number: B-14-UC-12-0011-A) with a note date of 3/28/2019.

This Amendment identifies the funding and location of available, unencumbered funds from the 2021 – 2022 (\$196,007.56), 2022 – 2023 (\$441,873.60), and 2023 – 2024 (\$426,765.61) Action Plans. Specifically, \$1,064,646.77 in CDBG funds will be used for the payoff (defeasement) of the Section 108 Loan used to fund the installation of a waterline in the West Canaveral Groves Neighborhood Strategy Area.

Fiscal Impact

This action identifies unencumbered funds to be moved from the identified Action Plan years in IDIS (\$1,064,646.77) to Section 108 Loan #B-14-US-12-0011-A (\$1,064,646.77).

Revised Activity and Funding Allocation

The following is proposed to be added as an Activity under planned projects:

Project Name	CDBG: Section 108 Loan # B-14-UC-12-0011-A (Defeasement)
Target Area	Countywide
Goals Supported	Improve Low/Moderate Income Neighborhoods
Needs Addressed	Community and Economic Development
Funding	CDBG: \$1,064,646.77
Description	Payoff of the loan to allow the community to begin submitting new projects.
Target Date	07/30/2024
Planned Activities	Utilize CDBG funds to defease the remaining term of the Section 108 Loan.

Eligibility

The proposed funds are unobligated and the activity under this proposed Substantial Amendment constitutes an eligible use of CDBG funds as permitted under 24 CFR 570.201 (c). Approximately 272 low- and moderate-income individuals will benefit from the payoff of this loan which continues to meet a CDBG National Objective under 24 CFR 570.208 (a) (1). Additionally, this early payoff will allow the lifting of the project moratorium which was enacted for the term of the loan.

Impact on 2021-2022, 2022-2023, and 2023-24 Annual Action Plan Goals and Objectives

Based on the original Action Plans, the identified funds are currently unobligated and therefore there will be no impact to the established goals and objectives.

Citizen Participation and Public Comment

Public comment will be sought through a thirty-day public comment period from April 21, 2024 through May 20, 2024 at 4 pm advertised in a newspaper of general circulation on April 21, 2024. The proposed Substantial Amendment will be placed on the Department's website (<https://brevardfl.gov/HousingAndHumanServices/PlansAndReports>) and comments will be accepted electronically during the 30-day period. A copy of the Substantial Amendment will also be available for review at the following locations:

- Brevard County Housing and Human Services Department, 2725 Judge Fran Jamieson Way, Building B, Suite 106, Viera, Florida 32940
- Franklin T. DeGroodt Public Library, 6475 Minton Rd, Palm Bay, FL 32908
- Melbourne Public Library, 540 E. Fee Ave., Melbourne, FL 32901
- Catherine Schweinsberg Rood Central Library, 308 Forrest Avenue, Cocoa, Florida 32922
- Titusville Public Library, 2121 South Hopkins Avenue, Titusville, Florida 32780

A public hearing will be conducted on May 21, 2024 at 9 am in the Commission Room at the Government Center in Viera (2725 Judge Fran Jamieson Way, Building C, Viera, FL 32940) during the regularly scheduled Board of County Commissioners meeting.

All public comments will be welcomed and given due consideration by County staff. A summary of any comments received and responses given by the County will be attached.