



20 N. Swinton Avenue  
Delray Beach, FL 33444

Agenda Item # 9D  
January 11, 2018

~ CRA BOARD SUMMARY ~

**THIRD AMENDMENTS TO REPURCHASE AGREEMENTS BETWEEN THE  
CRA AND THE DELRAY BEACH COMMUNITY LAND TRUST (DBCLT)**

**Background:** On February 12, 2012, the CRA issued an RFP to dispose of twelve (12) single family CRA-owned residential properties located in the Northwest/Southwest neighborhoods for the purpose of constructing affordable, owner occupied single family homes. On April 12, 2012, the CRA Board awarded the sale of the six (6) of the properties to Habitat for Humanity of South Palm Beach County, and six (6) to the Delray Beach Community Land Trust (DBCLT). On May 10, 2012, the CRA Board approved Purchase & Sale Agreements for the sale of the six (6) properties identified in the table below to the Delray Beach Community Land Trust (DBCLT).

<u>ADDRESS</u>	<u>LOT/BLOCK</u>	<u>SUBDIVISION</u>
260 NW 9th Avenue	Lot 32 / Block A	TOURIST NOOK
111 NW 12th Ave	Lot 22 / Block 6	Lot 22 / Block 6
110 SW 14th Ave	LT 15 BLK 2	ATLANTIC PARK GARDENS PRIEST ADD
202 SW 14th Avenue	Block 3	ATLANTIC PARK GARDENS PRIEST ADD
706 SW 2nd Street	Lot 2	CARVER SQUARE IN
710 SW 2nd Street	Lot 3	CARVER SQUARE IN

As part of the transactions, the DBCLT signed, at closing Repurchase Agreements which provide that the CRA had: 1) the right to repurchase the property if a Certificate of Occupancy for a new single-family home was not received within 24 months (Development Time Frame) as identified in the Original Agreement; and 2) the right to review and approve proposed construction plans prior to the DBCLT submitting for building permit.

Amendments for the Agreements were approved on June 26, 2014 for the following properties: 260 NW 9<sup>th</sup> Avenue, 111 NW 12<sup>th</sup> Avenue, 202 SW 14<sup>th</sup> Avenue, 706 SW 2<sup>nd</sup> Street, and 710 SW 2<sup>nd</sup> Street. The amendments provided for a twenty-four (24) months (or 730 days) extension from July 20, 2014 (expiring on July 19, 2016).

At its meeting on May 12, 2016, the CRA Board approved Second Amendments to the three (3) Repurchase Agreements for 706 SW 2<sup>nd</sup> Street, 710 SW 2<sup>nd</sup> Street, and 111 NW 12<sup>th</sup> Avenue to provide for an additional eighteen (18) month extension to develop the properties, which were proposed to be constructed by the developer of the Metropolitan development, in the downtown core, in order to comply with their workforce housing requirement. The date by which the certificates of occupancy are to be issued for the three properties is currently January 29, 2018.

**Proposed Amendments:** On December 12, 2017 CRA staff was notified by Ms. Evelyn Dobson, Executive Director of the DBCLT, that the development of these three lots was committed as Workforce Housing units in the agreement between the City, DBCLT and The Metropolitan. The Metropolitan sold their project to Menin Group on December 8, 2017 and construction of the homes has not commenced. Thus, completion of the single-family homes, and issuance of the certificates of occupancy will not occur by January 19, 2018.

The City has approved the construction permits for the development of 111 NW 12<sup>th</sup> Avenue, 706 SW 2<sup>nd</sup> Street, 710 SW 2<sup>nd</sup> Street, and 309 SW 5<sup>th</sup> Avenue, and each property have mortgage ready homebuyers. The contractor for the single-family homes, Stuart & Shelby, Inc., is in the process of terminating their contract with the developer of the Metropolitan. This will permit the DBCLT to execute Work Assignments with Stuart and Shelby, Inc. to complete the construction of the single-family homes. A construction time frame, however, is currently not available.

As a result of the change of developer, and the fact that the construction of the single-family homes has not commenced, the DBCLT is requesting a third extension of the date for the issuance of the certificate of occupancy pursuant to the Repurchase Agreements for the properties located at 111 NW 12<sup>th</sup> Avenue, 706 SW 2<sup>nd</sup> Street, and 710 SW 2<sup>nd</sup> Street. The attached Third Amendments to the respective Repurchase Agreements provide for an additional (18) month extension from January 19, 2018, up to and including July 19, 2019.

The Third Amendments all provide for the same date for issuance of the certificate of occupancy.; however, only one of the Third Amendments is attached for the CRA Board's review.

**Recommended Action:**

Approve and authorize the CRA Board Chair to execute the Third Amendment to the Repurchase Agreements with the Delray Beach Community Land Trust to extend the date for issuance of the Certificate of Occupancy from January 19, 2018 to July 19, 2019 for 111 NW 12th Avenue, 706 SW 2<sup>nd</sup> Street, and 710 SW 2nd Street, in accordance with the terms specified in the Repurchase Agreements.

**Submitted By:** Krista Walker, Contract Manager

Attachments: Third Amendment to Repurchase Agreement; Resolution & Request from the Delray Beach Community Land Trust

**THIRD AMENDMENT TO REPURCHASE AGREEMENT**  
**(706 SW 2<sup>nd</sup> Street)**

This Third Amendment to the Repurchase Agreement ("Amendment") is made this \_\_\_ day of \_\_\_\_\_, 2018 by and between the **Delray Beach Community Redevelopment Agency, a Florida public body corporate and politic created pursuant to Section 163.356 F.S.**, whose post office address is 20 North Swinton Avenue, Delray Beach, Florida 33444 (hereinafter referred to as "SELLER") and **the Delray Beach Community Land Trust, Inc.**, whose post office address is 145 SW 12<sup>th</sup> Avenue, Delray Beach, Florida 33444 (hereinafter referred to as "PURCHASER").

**WITNESSETH:**

**WHEREAS**, SELLER and PURCHASER entered into the Repurchase Agreement on May 10, 2012 (the "Original Agreement") for the development of the property located at 706 SW 2<sup>nd</sup> Street, Delray Beach, Florida (the "Property"); and

**WHEREAS**, the Original Agreement was amended by that certain First Amendment to Repurchase Agreement dated June 26, 2014 which extended the date for Purchaser to obtain a certificate of occupancy for the single family home to be constructed on the Property to July 19, 2016; and

**WHEREAS**, the Original Agreement was further amended by that certain Second Amendment to Repurchase Agreement dated May 19, 2016, which extended the date for Purchaser to obtain a certificate of occupancy for the single family home to be constructed on the Property to January 19, 2018; and

**WHEREAS**, the SELLER and PURCHASER desire to provide PURCHASER with additional time to complete the development on the Property by entering into this Third Amendment to the Original Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises herein contained, the parties hereby agree as follows:

1. The recitations set forth above are hereby incorporated herein.
2. The SELLER and PURCHASER agree to amend Section 3 of the Original Agreement to read as follows:
  3. Purchaser shall have until July 19, 2019, to obtain a certificate of occupancy for the single family home to be constructed on the Property by the Purchaser (hereinafter the "Project").

3. All other terms and conditions of the Original Agreement, the First Amendment, and the Second Amendment, not in conflict with this Third Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be executed on the day and year first above written.

WITNESS:

\_\_\_\_\_

Witness

\_\_\_\_\_

Witness

PURCHASER:

Delray Beach Community Land Trust, Inc.

\_\_\_\_\_

By:

\_\_\_\_\_

Title:

Date: \_\_\_\_\_

SELLER:

Delray Beach Community Redevelopment Agency

\_\_\_\_\_

Witness

\_\_\_\_\_

Witness

\_\_\_\_\_

By: Annette Gray

Title: Chair

Date: \_\_\_\_\_

**DBCLT REGULAR BOARD MEETING**  
**December 21st, 2017**  
**Agenda Item Summary**

**New Business**

**Agenda Item No. 6**

**2017-31**

**DBCRA and DBCLT Repurchase Agreement Third Amendment request for the development of sites located at 111 NW 12<sup>th</sup> Ave, 706 and 710 SW 2<sup>nd</sup> Street**

The Second Amendment was presented to the DBCRA Board on May 12<sup>th</sup>, 2016 and approved to extend the Repurchase Agreement for an additional eighteen months to complete the development of the three sites located at 111 NW 12<sup>th</sup> Ave, 706 and 710 SW 2<sup>nd</sup> Street. Resolution #2016-11 (see attached) was approved by the DBCLT for a second amendment to the Repurchase Agreement on May 19<sup>th</sup>, 2016.

The Seller (DBCRA) reserved the right to repurchase the property for the same purchase price as paid by Purchaser (DBCLT) in the event the Purchaser fail to construct and obtain a certificate of occupancy for a single family residence within 18 months, term ending January 18, 2018.

The DBCLT will need to request an additional 12-15 months to complete the development of the properties reflected below. Permits for construction approved by the City of Delray on August 22<sup>nd</sup>, 2017. The three (3) lots are committed for development by The Metropolitan of Delray, LLC as workforce housing units.

- **111 NW 12<sup>th</sup> Ave**      The King Model 1800 sq. ft. (one car garage)
- **706 SW 2<sup>nd</sup> Street**      The King III Model Home 1920sq ft. (two car garage)
- **710 SW 2<sup>nd</sup> Street**      The King Model 1800 sq. ft. (one car garage)

The Metropolitan Project was sold on December 8<sup>th</sup>, 2017. Staff is requesting authorization to request a Third Amendment to the Agreement for a period of 12-18 months from January 18, 2018.

**Recommended Action:**

Board motion for staff to request a Third Amendment to the DBCRA and DBCLT Repurchase Agreement with an extension of 12-15 months to complete the development of 111 NW 12<sup>th</sup> Ave, 706 & 710 SW 2<sup>nd</sup> Street.

**Resolution Approved:**

**President-Gary Eliopoulos, Vice President-Arthur Brown or Treasurer-Vicki Hill**

Attachment

## Walker, Krista F

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**From:** Dobson, Evelyn  
**Sent:** Tuesday, December 12, 2017 2:01 PM  
**To:** Walker, Krista F  
**Subject:** RE: Property Status

Unfortunately, we will need to request a third extension on the development of these lots and sad to say I did not realize that we were nearing the second deadline. The development of these three lots were committed as Work Force Housing units in the agreement between the City, DBCLT and The Metropolitan. The Metropolitan sold there project to Menin and closed the deal on December 8<sup>th</sup>.

The construction permits are approved by the City for the development of 111 NW 12<sup>th</sup> Ave, 706 and 710 SW 2<sup>nd</sup> Street, and 309 SW 5<sup>th</sup> Ave and we have mortgage ready homebuyers. Stuart & Shelby is in the process of terminating his contract with the Metropolitan so that the DBCLT can execute Work Assignments to complete the development of the units. There is successor language in the agreements between the City, DBCLT and The Metropolitan which will be resolved with Menin.

Please let me know in the way of formalities what you will need form us.

*Evelyn S. Dobson*  
*Chief Executive Officer*  
*Delray Beach Community Land Trust, Inc.*  
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*Delray Beach, FL 33444*  
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