

STAFF REPORT REGULAR MEETING

AGENDA DATE: August 19, 2025

DEPARTMENT: City Manager

TITLE:

Interlocal Agreement with the Lake Worth Beach CRA for financial support of Pinnacle on Sixth Local Government Area of Opportunity Designation

SUMMARY:

Support for The Pinnacle on Sixth project application for the Local Government Area of Opportunity designation and approving an agreement with Community Redevelopment Agency (CRA) for local match funding.

BACKGROUND AND JUSTIFICATION:

Pinnacle Communities II, LLC is proposed to develop Pinnacle on Sixth in the City of Lake Worth Beach, the proposed project is a ninety-two (92) unit affordable rental community located on both sides of South H Street, just south of 6th Avenue South.

Pinnacle is in the process of applying for low-income Housing Tax Credits and is currently targeting the Local Government Area Opportunity designation, this requires a certain commitment from the city. Pinnacle is requesting a commitment to compete in the next two Florida Housing application cycles that would designate Pinnacle on Sixth as the city's designated Local Government Area Opportunity development for these highly competitive Housing Credits, as the city can only designate one development per cycle.

Over the past few years, the CRA has worked with Pinnacle Housing to assemble land and develop a housing project near 6th Avenue South. Last year, the Community Redevelopment Agency (CRA) supported Pinnacle's application for Housing Credits and pledged a match of \$75,000. Pinnacle's funding request was not successful. This year, Pinnacle is targeting the Local Government Area of Opportunity designation. In May 2025, the CRA Board authorized a loan in the amount of \$640,000 as a local match to allow the project to move through the process of applying to the Florida Housing Finance Corporation. However, Pinnacle is requesting the city execute the Florida Housing Finance Corporation Local Government Area of Opportunity Funding Form, a commitment letter from the local government entity that's required by law.

Associated with this request, an Interlocal Agreement is proposed between the City and CRA to provide for a loan funds in the amount of \$640,000 from the CRA to Pinnacle through the City. The CRA shall be responsible for administration of the loan between the City and the developer.

This agenda item will confirm the designation and financial commitment that would allow Pinnacle on Sixth to compete for Housing Credits from the Florida Housing Finance Corporation to develop up to 92 total units. Pinnacle is requesting a commitment to compete in the next two Florida Housing application cycles making Pinnacle on Sixth the City's designated Local Government Area of Opportunity development.

MOTION:

Move to approve/disapprove the request from Pinnacle for the City to execute the Florida Housing Finance Corporation Local Government Area of Opportunity Funding Form and associated Interlocal Agreement between the CRA and the City for the \$640,000 loan to Pinnacle.

ATTACHMENT(S):

Fiscal Impact Analysis, Not required

Florida Housing Finance Corporation Local Government Area of Opportunity Funding Form

Interlocal Agreement

Letter from Pinnacle