

STAFF REPORT REGULAR MEETING

AGENDA DATE: March 31, 2026

DEPARTMENT: City Manager

TITLE:

Authorization to issue a commitment letter to Pinnacle on Sixth, LLC in support of an application to the Palm Beach County Housing Bond Loan Program

SUMMARY:

Requesting authorization for the City to provide Pinnacle on Sixth, LLC with a commitment letter as a pass through for the CRA in support of the developer's project application for the Palm Beach County Housing Bond Loan Program.

BACKGROUND AND JUSTIFICATION:

On August 19, 2025, the City Commission approved an interlocal agreement between the City of Lake Worth Beach and Community Redevelopment Agency (CRA) to provide loan funding in the amount of \$640,000, from the CRA to Pinnacle through the City. Under the terms of the agreement, the CRA is responsible for administering the loan between the City and Developer.

Following the City's commitment, the Florida Housing Finance Corporation's Board of Directors selected Pinnacle on Sixth for an award of Housing Tax Credits on January 30, 2026. Pinnacle is applying to the Palm Beach County Housing Bond Loan Program, to obtain additional subordinate financing for development. As part of the County's application requirements, developers must demonstrate committed financial resources through a commitment letter executed by both the lender and borrower. Additionally, projects located within the municipalities must show evidence of financial support from the host city.

To satisfy these requirements, Pinnacle is requesting that the City execute a commitment letter confirming the City's previously approved \$640,000 loan commitment to Pinnacle on Sixth, LLC. The loan will be funded and administered by the CRA, with the City serving as the pass-through entity. As the funding and administrative entity, the CRA has reviewed the terms in the proposed loan commitment form and recommends approval.

Pinnacle Communities II, LLC is proposed to develop Pinnacle, a ninety-two (92) unit affordable rental community located on both sides of South H Street, just south of 6th Avenue South in Lake Worth Beach. The CRA has worked with Pinnacle Housing in recent years to assemble the necessary land and advance the development of an affordable housing project in this area.

Approval of the commitment letter will reaffirm the City's financial commitment and support for the project, enabling Pinnacle on Sixth to remain competitive for additional housing financing.

MOTION:

Move to approve/disapprove the request from Pinnacle for the City to execute the commitment letter confirming the City's role as a pass-through for the CRA's \$640,000 loan to Pinnacle on Sixth, LLC.

ATTACHMENT(S):

Fiscal Impact Analysis, N/A
City of Lake Worth Beach Commitment Letter
Letter from CRA and Interlocal Agreement