

STAFF REPORT REGULAR MEETING

AGENDA DATE: August 25, 2026

DEPARTMENT: City Manager and City Attorney

TITLE:

Second Amendment to Affordable Housing Development and Grant Agreement between the City of Lake Worth Beach and Florida Neighbors Foundation, Inc.

SUMMARY:

Second Amendment to Affordable Housing Development and Grant Agreement regarding the City's commitment to local funding of the residential low-income housing project to be known as Madison Terrace Phase I.

BACKGROUND AND JUSTIFICATION:

The project is located on south Dixie Highway just south of 8th Avenue South. The Lake Worth Beach CRA agreed to commit \$640,000 toward the application for Low Income Housing Tax Credits (LIHTC) submitted by Madison Terrace, Phase I for the project. In order for the funding to meet Federal application requirements, the CRA funding must pass through the City and then to the Developer. To effectuate this funding allocation, the Commission entered into an Interlocal Agreement with the CRA on October 18, 2024, and a Grant Agreement with Florida Neighbors Foundation, Inc. on October 16, 2024.

The Commission and Florida Neighbors Foundation, Inc. entered into a First Amendment to the Grant Agreement on November 12, 2025, providing for necessary changes to reflect amendments to the project approvals, calculation of affordability for the units in accordance with the Federal program, and make other minor changes.

Florida Neighbors Foundation, Inc. recently informed the City that additional changes are needed for compliance with the payment obligations under the LIHTC Program. The proposed Second Amendment addresses these requirements, which include changes to allow payment upon receipt of a temporary certificate of occupancy rather than a full certificate of occupancy, payment within 25 days rather than 30 days, extension of the Project completion from 24 months to 26 months, and clarification regarding the recording of restrictive covenants. The LIHTC Program requires the City's funding be paid within 90 days of the Project is "placed in service". The Project was "placed in service" with the issuance of the temporary certificate of occupancy on June 10, 2026, requiring payment no later than September 8, 2026.

MOTION:

Move to approve/disapprove the Second Amendment to the Affordable Housing Development and Grant Agreement between the City and Florida Neighbors Foundation, Inc., to provide the CRA funding through the City for the proposed project to be known as Madison Terrace Phase I.

ATTACHMENT(S):

Second Amendment