



Legislation Text

File #: 2023-4628, Version: 1

DEPARTMENT MAKING REQUEST

Human Services

Title

2208 Castillo Avenue Amended and Restated Land Use Restriction Agreement (LURA)

REQUESTED MOTION/ACTION

Recommended Action:

- a) Approve Amended and Restated Land Use Restriction Agreement (LURA) for Crossroads Hope Academy, 2208 Castillo Avenue, Punta Gorda, Florida 33950; and
- b) Authorize the County Administrator, or his designee, to sign the LURA.

Budgeted Action:

No action needed.

BACKGROUND (Why is this Action Necessary, and What Action will be accomplished)

Background:

This property was previously known as Kelly Hall, Coastal Safe Haven, and received a \$500,000 Hurricane Housing Recovery (HHR) grant in 2006, and an additional \$100,000 HHR grant in 2009 toward rehabilitation of the facility for the purpose of housing for extremely low-income homeless individuals with mental health and substance abuse disorders. A Land Use Restriction Agreement (LURA) obligated the property for this use for 30 years (October 2036). In 2022, Crossroads Hope Academy, a non-profit 501(c)(3) home for foster boys aged 12 - 18 who have had multiple failed placements in the Florida foster care system, acquired the property, assuming the terms of the LURA. The BOCC authorized the modified use of the property for foster youth and transferred the LURA.

At this time, Crossroads is attempting to secure a mortgage on the property to perform capital improvements (see below). The lending institution is unwilling to execute the mortgage with the 2022 LURA in its current iteration, implying recapture provisions in the event of default. The original 2006 LURA did not have a recapture provision. The proposed amended and restated 2023 LURA clarifies the performance provisions of the grant and remedies for default that are more in keeping with the original LURA. The term and eligible use of the property does not change. Of particular note is Section 6. Term and Termination, which states: "This 2023 LURA shall become effective upon its execution and delivery and shall remain in full force and effect until October 25, 2036. Further, this 2023 LURA will terminate on the date the Property is acquired by foreclosure or deed in lieu of foreclosure, upon the recorded declaration of the party so acquiring the Property (unless it is determined that such acquisition is part of an arrangement with the Grantee, the sole purpose of which is designed to terminate such period)."

The following was provided by Crossroads, and lists the intended use of borrowed funds:

Capital Improvements - The \$350,000 term mortgage will be used for capital improvements to the

campus buildings that are listed below. The \$200,000 credit line is for future capital improvements that arise, so we have funds available for the capital improvements, while we have a fundraising campaign to raise the funds.

- Generator Castillo/Nix Campus \$65,000: The current generator is old and unreliable. In the event of a hurricane, we cannot be without power for the boys. If we were without power for an extended period of time, DCF would have to remove all the boys from campus and find new placements for them.
- Generator Bermont/Davison Campus \$65,000: The current generator is old and unreliable. In the event of a hurricane, we cannot be without power for the boys. If we were without power for an extended period of time, DCF would have to remove all the boys from campus and find new placements for them.
- Parking Lot Resurfacing \$50,000: parking lot needs to be completely resurfaced.
- Basketball Court Resurfacing at each campus \$20,000: the basketball court is the best outdoor activity we can provide for the boys along with football.
- Walk in Freezer \$70,000: we are continually putting band-aids on the current freezer and have needed to rent freezer trailers to keep food from spoiling while we wait on parts.
- Storage \$20,000: we need to build or purchase some kind of storage.
- Kitchen/Cafeteria Roof \$65,000: Insurance gave us very little for our roof replacement. We want to upgrade this building at Babcock campus with a metal roof, this is the shelter on campus for boys and staff in the event of a hurricane.

Provided with the item are the redline 2022 LURA and proposed amended and restated 2023 LURA for review and consideration.