



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#22-1011

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Greg Chavarria, CRA Executive Director

DATE: December 6, 2022

TITLE: Resolution Approving a Forgivable Loan Increase of Five Hundred Thousand Dollars (\$500,000) to Wright Dynasty, LLC, under the Development Incentive Program - 1217-1223 Sistrunk Boulevard, Fort Lauderdale, FL 33311 - (**Commission District 3**)

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners resolve to approve a forgivable loan funding increase to Wright Dynasty, LLC, in the amount of Five Hundred Thousand Dollars (\$500,000) from the Development Incentive Program, for the construction of a mixed-use development located at 1217-1223 Sistrunk Boulevard, Fort Lauderdale, Florida 33311.

Background

On November 17, 2020, Wright Dynasty, LLC was awarded a \$3,000,000 Development Incentive Program (DIP) forgivable loan to construct a mixed-use development located at 1217-1223 Sistrunk Boulevard, Fort Lauderdale, FL 33311 (the Property). The proposed development is a six-story building and will include five commercial units on the ground floor, two parking levels and 24 residential rental units, of which three are dedicated as low-income (80% of AMI). The location map and the Broward County Property Appraiser information are attached as Exhibits 1 and 2 respectively. Once built, the development is expected to create numerous long-term jobs managing the operations of the apartments, in addition to those generated by the various retail/office tenants. The updated development proposal can be found attached as Exhibit 3.

The requested forgivable loan amount will be secured by a 10-year second mortgage on the property.

The proposed Wright Dynasty, LLC project is located within the CRA's Focus Area, on historic Sistrunk Boulevard. The CRA Development Incentive Program (DIP) is intended to support projects with an investment of \$5,000,000 or more. The initially projected construction cost for this project was \$7,116,825. Since its approval in 2020, the project has gone through Development Review Committee (DRC) review, which required

extensive design changes and updated floor plans, attached as Exhibits 4 and 5. In addition, on June 8, 2021, the Developer requested a height increase from 45-feet to 65-feet, in exchange for setting aside 10 percent of its units as affordable. On February 28, 2022, DRC approved the alternative design. The Final DRC Certificate of Compliance is attached as Exhibit 6. Recent contractor bids also reflected the significant rise in construction and material costs. The total project cost has increased to \$12,820,000. Of the four bids the Developer obtained, the lowest responsible bid was for \$11,500,000. A listing of the new contractor bids is attached as Exhibit 7.

Based on an updated total project cost of \$12,820,000, the total CRA contribution of \$3,500,000 represents 27% of the total project cost, and is needed to complete this project. The Developer has obtained additional funding from lending institutions to close the funding gap for the total project cost. An updated sources and uses statement is attached as Exhibit 8. Wright Dynasty, LLC is making efforts to mitigate the rising cost of construction by value engineering certain aspects of the construction, without compromising the aesthetics or value of the project. A list of proposed cost saving measures is included as Exhibit 9.

Staff is requesting that the CRA provide an additional \$500,000 for this project, thus allowing the award of this project to the Lowest Responsible Bidder. Without the additional funding, the project will not be able to move forward. The projected completion date for this project is March of 2024.

Resource Impact

Funds for this transaction in the amount of \$500,000 are available in the account listed below.

<i>Funds available as of November 10, 2022</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203-CRA092304	Development Incentive Improvement Program FY23	Other Operating Expenses/Redevelopment Projects	\$15,276,994	\$8,526,994	\$500,000
				TOTAL AMOUNT ►	\$500,000

Strategic Connections

This item is a *2022 Top Commission Priority*, advancing the Homelessness and Housing Opportunities initiative.

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods

- Objective: Ensure a range of affordable housing options
- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace
- Objective: Create a responsive and proactive business climate to attract emerging industries and nurture and support existing local businesses

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community*.

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan specifically advancing:

- The Neighborhood Enhancement Focus Area
- The Future Land Use Element
- Goal 2: Sustainable Development: The City shall encourage sustainable, smart growth which designates areas for future growth, promotes connectivity, social equity, preservation of neighborhood character and compatibility of uses.
- The Housing Element
- Goal 1: The Comprehensive Plan shall support the provision of adequate sites for future housing, including affordable workforce housing, housing for low-income, very low-income, and moderate-income families, mobile homes, and group home facilities and foster care facilities, with supporting infrastructure and public facilities.
- Goal 2: Be a community of beautiful and healthy neighborhoods.

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Broward County Property Appraiser Information

Exhibit 3 – Updated Development Proposal

Exhibit 4 – Updated Floor Plans

Exhibit 5 – DRC Comment Report

Exhibit 6 – Final DRC Certificate of Compliance

Exhibit 7 – General Contractor Bids

Exhibit 8 – Sources and Uses Statement

Exhibit 9 – Value Engineering Proposal

Exhibit 10 – Amended Letter of Intent

Exhibit 11 – Resolution

Prepared by: Eleni Ward-Jankovic, CRA Housing and Economic Dev. Manager
Clarence Woods, CRA Manager

CRA Executive Director: Greg Chavarria