



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#24-0768

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Susan Grant, Acting City Manager

DATE: September 3, 2024

TITLE: **REVISED CM-8** - Motion Approving the Third Amendment to the Purchase and Sale Agreement Between The Pantry Lofts Ltd. as successor to Green Mills Holdings, LLC and the City of Fort Lauderdale - **(Commission District 2)**

Recommendation

Staff recommends that the City Commission approve the third amendment to the purchase and sale agreement ("Agreement") in substantially the form attached, between Pantry Lofts Ltd. as successor to Green Mills Holdings, LLC, and the City of Fort Lauderdale for the property located at 221 NW 6th **Street Avenue**, Fort Lauderdale, FL, 33311 (Exhibit 1).

Background

On October 20, 2020, the City Commission approved a notice to award to Green Mills Holdings, LLC ("Green Mills") to purchase City-owned property located at 221 NW 6th **Street Avenue**. In August of 2021, Green Mills assigned the purchase and sale agreement to The Pantry Lofts, Ltd.

Green Mills/The Pantry Lofts Ltd. proposed the development of an eight-story building comprising eighty multifamily units specifically designed for active seniors aged 55 and above. The project aims to reserve the majority of its apartments for seniors whose earnings fall between 30% and 80% of the Broward County Area Median Income.

Recognizing the necessity of securing funding through the Federal Low-Income Housing Tax Credit ("LIHTC") administered by the Florida Housing Finance Corporation ("FHFC"), The Pantry Lofts, Ltd. applied for the 2021 LIHTC. Unfortunately, the application was not approved. Consequently, on November 1, 2022, the City approved the first amendment to the Agreement, extending The Pantry Lofts, Ltd.'s deadline to apply for the 2022 LIHTC.

The Pantry Lofts Ltd. once again did not secure the credits, however, FHFC introduced a resubmittal preference for the 2023 LIHTC, enhancing The Pantry Lofts Ltd. chance for success. On July 5, 2023, the City Commission approved a second amendment to the

Agreement to allow The Pantry Lofts Ltd. to reapply for the 2023 LIHTC, thus facilitating continued efforts to advance the project. On January 25, 2024, The Pantry Lofts, Ltd. was selected for the LIHTC tax credit program and received an Invitation to Credit Underwriting from FHFC. In February 2024, The Pantry Lofts, Ltd. received an environmental assessment that revealed significant contamination requiring remediation.

The Pantry Lofts, Ltd. is now requesting a third amendment to the Agreement to reduce the purchase price of \$560,000 by a not to exceed amount of \$108,100. The reduction aims to address the environmental expenses associated with cleaning the contaminated site at 221 NW 6th ~~Street~~ Avenue. The Pantry Lofts, Ltd. shall produce environmental expense invoices at or prior to closing listing all costs associated with the remediation.

Resource Impact

There is no current fiscal impact associated with this item. There will be a negative fiscal impact of \$108,100 to the City in a future fiscal year, resulting from the reduction in the purchase price after the closing is completed.

Strategic Connections

This item is a *2024 Top Commission Priority*, advancing the Housing Accessibility initiative.

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Housing Focus Area, Goal 4: Enable housing options for all income levels.

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 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.

Attachments

Exhibit 1 – Proposed Third Amendment

Exhibit 2 – Purchase and Sale Agreement

Exhibit 3 – Test Pit Memo (Note that in Exhibit 3, the engineers use "221 NW 3rd Avenue" and "221 NW 6th Street" interchangeably throughout the report.)

Exhibit 4 – Location Map

Exhibit 5 – Assignment of Contract for Sale and Purchase

Prepared by: Angela Salmon, Assistant to the City Manager, City Manager's Office

Charter Officer: Susan Grant, Acting City Manager