



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#24-0660

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

FROM: Susan Grant, Acting City Manager

DATE: July 2, 2024

TITLE: Resolution Approving a \$640,000 Loan as Local Government Area of Opportunity Funding to Pinnacle at Cypress, LLLP for the “Pinnacle at Cypress” Project, Contingent Upon the Award of 9% Tax Credits from the Florida Housing Finance Corporation; Authorizing the City Manager to Execute Any and All Instruments – **(Commission District 1)**

Recommendation

Staff recommends that the City Commission approve a \$640,000 loan to support an application for Low-Income Housing Tax Credits. Furthermore, authorization is sought for the City Manager to sign the Local Government Contribution Loan Form and execute the necessary loan documents for Pinnacle at Cypress, LLLP.

Background

Pinnacle at Cypress, LLLP is applying for Low-Income Housing Tax Credits offered by the Florida Housing Finance Corporation (“FHFC”). This development aims to provide 101 housing units primarily for seniors requiring affordable living options and will also cater to families and individuals in need of workforce housing near job opportunities in the Cypress Creek area (Exhibit 1). Obtaining these tax credits is competitive, and points can be earned on each application demonstrating local government support through financial contributions like loans or grants (Exhibit 2).

The proposed \$640,000 loan will specifically finance the construction of the Pinnacle at Cypress project located at 6520 N. Andrews Avenue, Fort Lauderdale (Exhibit 3). The loan terms include a zero percent interest rate during the initial three-year construction phase, followed by a two percent interest rate over the subsequent 15.5-year term, totaling an 18.5-year loan duration. It is a non-recourse, non-amortizing loan secured by a subordinate mortgage on the property. Full repayment is required at the end of the loan period, with potential for forgiveness at the lender's discretion. To prevent cancellation, the borrower must secure additional financing, including tax credit equity, by December 31, 2025. This loan is instrumental in qualifying the project as a "Local Government Area of Opportunity" and supports the financial feasibility of obtaining Low-Income Housing Tax

Credits. The lender will also assist in applying for the 9% Housing Credits program across two application cycles.

Should Pinnacle at Cypress LLLP secure the tax credits from the FHFC, the City Manager will proceed to execute the loan documents. The closing date for the loan will align with the fund disbursement schedule required by the project.

Resource Impact

There is no fiscal impact in FY 2024. The entire loan amount of \$640,00 is projected to come from the City's Affordable Housing Trust Fund. Since the loan funds are not needed until 2025, funds will be made available with approval of the proper budget and appropriation approvals, contingent upon award of low-income housing tax credits.

Strategic Connections

This item is a FY 2024 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 2: 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.
- Goal 2: Be a community of strong, beautiful, and healthy neighborhoods.

Attachments

Exhibit 1 – Pinnacle at Cypress Proposal

Exhibit 2 – FHFC Local Verification Form

Exhibit 3 – Proposed Loan Letter

Exhibit 4 – Resolution

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

Charter Officer: Susan Grant, Acting City Manager