



EXECUTIVE SUMMARY

Since June 16, 2020, Colliers International actively marketed 221 Sistrunk Boulevard on behalf of the City of Fort Lauderdale. Our marketing strategy and directive was to target affordable housing developers familiar with opportunity zone projects and tax credit funding. Proposals were to contribute to the progression of the Sistrunk corridor, while executing on the city's goal to increase the affordable housing supply. The minimum bid for this project stands at the appraised value of \$560,000.

The properties were marketed through Costar, CREXi, colliers.com and personal outreach. Sealed bids were due to the City on July 24, 2020 with a required deposit of 10% of the bid total. One bid was received by a Joint Venture between Green Mills Group and the Pantry of Broward. Discussions were had with various groups that provide affordable and workforce housing products but all declined to bid due to the small size of the site, which limited the potential for meaningful development.

Green Mills Holdings (and affiliated entities, referred to as "Green Mills") is a real estate development firm based in Fort Lauderdale, Florida. The company's expertise is sustainable, multifamily development with an emphasis on affordable, workforce, and permanent supportive housing. Green Mills' team has managed the development and financing of 70+ residential communities representing more than 7,000 apartments and \$1 billion in total development costs. To achieve broad, community-driven outcomes, the firm often partners with local governments, for-profit companies, and not-for-profit organizations.

The Pantry of Broward, Inc. ("The Pantry") is a non-profit organization based in Fort Lauderdale. The Pantry sought to fill a void of charitable organizations within Broward County. The Pantry's central mission is to serve as a "one-stop shop" for low-income seniors throughout Broward County in need of more stable food sources. Each month, The Pantry provides its 425 regular clients with a 55-pound box of nutritional food, including fresh fruits, vegetables, and breads. A significant portion of The Pantry's clients are grandparents raising their grandchildren on fixed incomes. Their food programs are supplemented to include a health care component and sourcing affordable housing opportunities for seniors in Broward.

The agreement with Green Mills means incorporating new warehouse and office space on the ground floor of the project for them to operate on site, in addition to cultivating active uses with glass storefronts, along Sistrunk. Assemblage of the adjoining properties creates the opportunity for a larger contiguous design, which permits more developable units and achieves optimal efficiency through economies of scale. Inclusion of the non-profit organization within the ownership structure scores higher within the LIHTC application process and leads to other qualifications under Florida Housing Finance Corporation's non-profit set aside goal.

PROPOSED DEVELOPMENT: "The Pantry Lofts"

BID PRICE: \$560,000

DEPOSIT: If Buyer determines that any Application submitted or to be submitted by Buyer either will not be or has not been successful in obtaining a financing award in an amount sufficient to construct at least 80 multi-family units (the "Intended Improvements"), the Buyer shall be entitled (but Buyer shall not be obligated) to terminate this Agreement by providing a written termination notice to Seller and upon such termination by Buyer, the Deposit shall be returned to Buyer and the parties shall be relieved of all further liability under this Agreement, except for those obligations which expressly survive termination of the Agreement.

Apply for competitive 9% LIHTC from FHFC

TAX CREDIT OBJECTIVE:

REQUEST FOR APPLICATION (RFA):	Issue Date (likely): August-2021 Due Date: November-2021		
	(Proposer cannot submit RFA this cycle due to City commitment “Local Government Match” for another affordable project approved at 9/1 commission meeting)		
AFFORDABLE TYPE:	Active seniors ages 55+ between 30% - 80% Area Medium Income (AMI)		
UNIT MIX:	1/1 and 2/2	12 units	30% of AMI
	1/1 and 2/2	54 units	60% of AMI
	1/1 and 2/2	14 units	80% of AMI
MAXIMUM RENT:	1/1	\$501-\$1,337	
	2/2	\$601-\$1,604	
TOTAL UNITS:	80 Units		
TOTAL STORIES:	8 stories (under 75 feet)		
TOTAL PROJECT COST:	\$31,119,211	Per Unit = \$388,990.14	
LIHTC:	Buyer will submit to FHFC for Federal Low-Income Tax Credits on or before the application deadline, November 2021, for the next cycle of Requests for Applications. If the Buyer is not able to obtain funding in the amount necessary, Buyer shall be entitled to terminate agreement and Deposit will be returned.		
CLOSING DATE:	On or before the earlier of 1) Twelve (12) months after the date Buyer receives a binding commitment from FHFC for an allocation of LIHTC with respect to the subject property or 2) December 31, 2022.		
FINANCING:	Applying for the competitive 9% Low Income Housing Tax Credit (LIHTC) requires the purchase and sale agreement to be executed and submitted along with various FHFC application forms. To maximize the likelihood of winning the tax credit funding, the proposed community will need to achieve the Local Government Area of Opportunity (“LGAO”) scoring boost within the application. This amount is currently estimated to be less than \$700,000 and is reflected within the bid package on exhibit D of the financial proforma. Note: The City of Fort Lauderdale has a history of supporting 9% tax credit applications with this critical ‘Local Government Match’, though unlike many previous cases Green Mills is proposing to pay the City for its property. If obtained, the financing award provides a subsidy of up to 70% of the total project cost permitting a viable affordable housing development. Completion of the project is contingent upon receiving a binding commitment from FHFC for an allocation of LIHTC’s. The contingency and timeline are standard practice for executing on low-income housing community developments. A non-competitive 4% LIHTC financing scenario will also be presented, though that will likely need a much larger local government financial contribution to be feasible.		

RECOMMENDATION

Our recommendation is to proceed with the proposal from Green Mills Group and The Pantry and negotiate a final Purchase and Sale Contract and Addendum. The City’s site as a standalone parcel has proven to be too small for any meaningful development. The group has significant experience in building affordable housing and with control of the adjacent site they will be able to bring a largescale affordable/workforce community to the City and continue the activation along Sistrunk Boulevard.