

RESOLUTION NO. 23-232

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, AUTHORIZING THE CITY MANAGER, ON BEHALF OF THE CITY OF FORT LAUDERDALE, TO EXECUTE AND DELIVER A LETTER OF INTENT FOR THE PROJECT KNOWN AS "THE ERA" LOCATED AT 2135 SOUTH ANDREWS AVENUE, FORT LAUDERDALE, FLORIDA, SUBJECT TO THE LIMITATIONS SET FORTH HEREIN; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Fort Lauderdale requested staff to develop a housing tax reimbursement incentive and ad valorem tax reimbursement program to support the development of affordable housing units in projects that are unable to use resources of the City of Fort Lauderdale Community Redevelopment Agency ("CRA") or funding through the Affordable Housing Trust Fund to make projects financially viable; and

WHEREAS, The ERA is a mixed-income, mixed-use project in the South Andrews Regional Activity Center that as proposed will be an eight-story building with 400 new housing units, ground level commercial and amenity space, parking garage, and infrastructure improvement to support the project;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

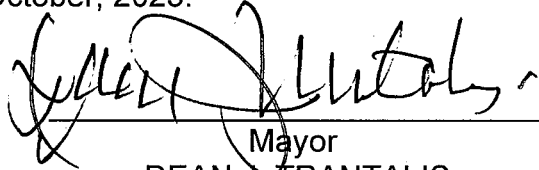
SECTION 1. That the City Manager, on behalf of the City of Fort Lauderdale, is hereby authorized to execute and deliver to the project developer, Affiliated Development (Developer), dba Andrews Apartments LLC located at 2135 South Andrews Avenue, Fort Lauderdale, Florida, a Letter of Intent to enter into an Affordable/Workforce Housing Tax Reimbursement Incentive and Ad Valorem Tax Reimbursement Agreement, in substantially the form attached hereto.

SECTION 2. Notwithstanding the delegation of authority granted herein, approval of funding and all final documents and other legally binding instruments must be brought before the City Commission for approval.

SECTION 3. That the Office of the City Attorney shall review and approve as to form all documents prior to their execution by the proper City officials.

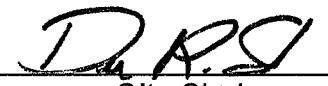
SECTION 4. That this Resolution shall be in full force and effect upon final passage.

ADOPTED this 3rd day of October, 2023.



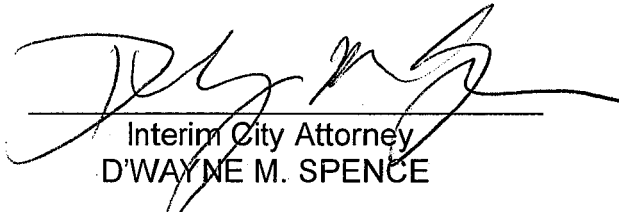
Mayor
DEAN J. TRANTALIS

ATTEST:



City Clerk
DAVID R. SOLOMAN

APPROVED AS TO FORM:
AND CORRECTNESS:



Interim City Attorney
D'WAYNE M. SPENCE

Dean J. Trantalis	<u>Yea</u>
John C. Herbst	<u>Yea</u>
Steven Glassman	<u>Yea</u>
Pamela Beasley-Pittman	<u>Yea</u>
Warren Sturman	<u>Yea</u>

LETTER OF INTENT
CITY OF FORT LAUDERDALE
WORKFORCE HOUSING INCENTIVES

October 3, 2023

This Letter of Intent for Workforce Housing Incentives (“LOI”) is to set forth the terms and conditions to be included in a Workforce Housing Incentive Agreement (“Agreement”) by and between the **CITY OF FORT LAUDERDALE**, a Florida municipal corporation (“City”), and **ANDREWS APARTMENTS, LLC**, a Florida limited liability company (“Owner”), and any successor or assign thereof. The City agrees to provide incentives to Owner in exchange for developing workforce housing at the Property pursuant to the terms of this LOI.

The City Commission hereby authorizes the City Attorney’s Office or outside legal counsel to prepare and finalize the Agreement under the authorization and direction of the City Manager, and to incorporate the following terms and conditions as provided herein.

PROPERTY: An assemblage of real property with street addresses of 108 SW 21st Street (Folio: 504215150060), 104 SW 21st Street (Folio: 504215150070), 100 SW 21st Street (Folio: 504215150071), 2101 S. Andrews Ave. (Folio: 504215150010), 2017 S. Andrews Ave. (Folio: 504215150020), and 2125 S. Andrews Ave. (Folio: 504215150050), all located in the City of Fort Lauderdale, Florida.

PROJECT: A mixed-use, mixed-income project containing approximately 400 rental units, ground level commercial and amenity space, a parking garage, and other improvements as depicted on the preliminary site plan attached hereto as **Exhibit “A”**.

PUBLIC PURPOSE: There exists within the City a severe shortage of housing affordable to residents of low, moderate and middle income, and this condition is impacting the health, safety, and welfare of the residents of the City, and retarding the growth and economic/social development of residents of the City.¹ The purpose of this LOI and the Agreement is to provide tax incentives to facilitate development of the Project for purposes of economic development and the creation of affordable workforce housing to improve the health, safety and welfare of individual residents and the City at large, all in accordance with and in furtherance of this public purpose as outlined in Section 163.335, Florida Statutes.

¹ <https://www.broward.org/BrowardHousingCouncil/Documents/NeedsAssessment/2022NeedsAssessment.pdf>

AMI: “AMI” or “Area Median Income” means the Fort Lauderdale Area Median Income as set forth each year by the Department of Housing and Urban Development (“HUD”).

DATES: “Project Approval Date” shall be the date that any and all required site plan, zoning and land use approvals necessary by the applicable Governmental Authority to construct the Project on the Property have been achieved and any appeal periods have expired.

“Project Commencement Date” shall be the date on which construction of the Project commences. The Project Commencement Date shall occur on or before the fifth anniversary of the Project Approval Date or the Agreement shall terminate and neither party shall have any obligation to the other.

“Project Completion Date” shall be the date on which construction of the Project is substantially complete as evidenced by the issuance of a certificate of occupancy allowing occupancy of the Workforce Units.

HOUSING

REQUIREMENTS: The Owner agrees to rent a minimum of 35% of the total dwelling units in the Project to qualified households whose total annual adjusted gross household income does not exceed 120% of AMI (the “Workforce Units”). The remaining dwelling units in the Project shall be unrestricted.

5% of the total dwelling units shall be rented to one or more natural persons or a family whose total annual adjusted gross household income does not exceed 80% of AMI, adjusted for family size (“Tier 1 Workforce Units”).

10% of the Total Dwelling Units shall be rented to one or more natural persons or a family whose total annual adjusted gross household income does not exceed 100% of AMI, adjusted for family size (“Tier 2 Workforce Units”).

20% of the Total Dwelling Units shall be rented to one or more natural persons or a family whose total annual adjusted gross household income does not exceed 120% of AMI, adjusted for family size (“Tier 3 Workforce Units”).

The maximum rent the Owner may charge for any Workforce Units shall be governed by the rent limit amounts established and published annually by the Department of Housing & Urban Development for the type and size of the unit, for the Broward County Metropolitan Statistical Area.

Notwithstanding anything else contained herein, the City Manager shall be authorized to adjust the percentage for the Workforce Units as may be reasonably required in order to maintain Project feasibility and based on the County’s approval of similar incentives, provided that in no event shall the total Workforce Housing Units for the Project be less than 70.

**RESTRICTIVE
COVENANT:**

On or prior to Project Commencement Date, the Owner shall record a Restrictive Covenant for the Property in the Public Records of Broward County to document the Housing Requirements, in the form approved by the City Attorney's Office, which shall remain in effect for a period of 30 years following the Project Completion Date (the "Restrictive Period"). While the City is the beneficiary of the Restrictive Covenant, it is acknowledged that the Workforce Units may be cross-utilized in a separate covenant recorded by any third party of this Agreement.

COMPLIANCE:

By March 1st following the one year anniversary of the Project Completion Date, and by March 1st of each proceeding year during the Restricted Period, Owner shall provide the City Manager with a signed affidavit certifying compliance of the Housing Requirements.

TAX

REIMBURSEMENT: City shall transfer to Owner, on an annual basis, an amount equal to 100% of the City's portion of the collected tax revenues generated by the Property for a term of 15 years. The Tax Reimbursement shall be conditioned upon: (a) the Project achieving the Project Completion Date, (b) evidence that the Owner has paid any required ad valorem taxes on the Property and (c) the deduction of an annual administrative fee the amount of which to be determined and set forth in the Agreement.

**COVENANT TO
BUDGET:**

The City shall be obligated to make the Tax Reimbursement payments only from revenues generated specifically by the Property resulting from the completion of the Project. The City in no way guarantees the amount of the Tax Increment or resulting City Tax Reimbursement payment. The City in no way agrees to encumber its taxing authority as a result of this Agreement. The City covenants and agrees not to budget, appropriate or obligate tax revenues generated on the Property during the Tax Reimbursement Term for any other purpose than as provided herein, subject in all respects to the restrictions of Florida law.

SUBORDINATION: All of the terms and provisions of the Agreement shall be subordinate to the Project's first mortgage lender and the rights granted under the loan documents and the City agrees to revise any provisions necessary in any of its documents, by amendment if necessary, in order to meet the reasonable requirements of the first mortgage lender or any other funding party, without any approval of the City commission.

Within 10 days following the execution of this LOI, the Owner shall provide the City Manager with a first draft of the Agreement, consistent with the terms and conditions contained herein. The Owner and City shall work in good faith to use best efforts to formalize the Agreement within a timely manner and understand that failure to do so may impact the Owner's ability to close on the Property and construct the Project.

(SIGNATURE PAGE TO FOLLOW)

WITNESSES:

CITY OF FORT LAUDERDALE

By _____
Dean J. Trantalis, Mayor

Print Name

Print Name

By _____
Greg Chavarria, City Manager

APPROVED AS TO FORM AND
CORRECTNESS:

D'Wayne M. Spence
Interim City Attorney

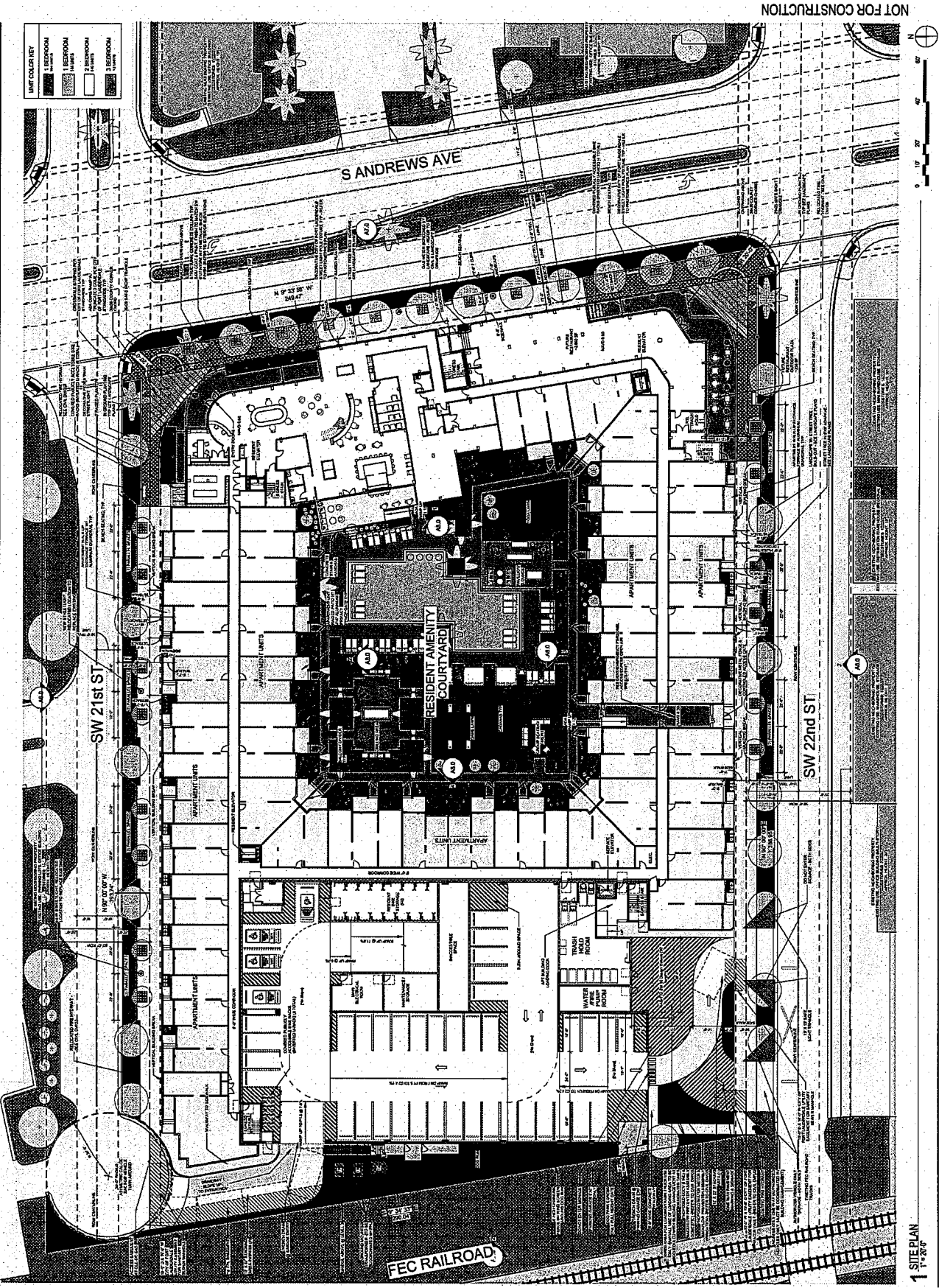
WITNESSES:

ANDREWS APARTMENTS, LLC

By _____
Jeffrey Burns, President

Print Name

Print Name



NOT FOR CONSTRUCTION

1 SITE PLAN
 1" = 20'