



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#26-0641

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

FROM: Christopher Cooper, Acting City Manager

DATE: August 18, 2026

TITLE: Resolution Approving an Affordable-Workforce Housing Tax
Reimbursement Incentive Application and Workforce Housing Incentive
Agreement – Affiliated Development, LLC. – The Cypress – 400 Corporate
Drive – Case Number UDP-AWHTR-26001 - **(Commission District 1)**

Recommendation

Staff recommends the City Commission consider a resolution approving an Affordable-Workforce Housing Ad Valorem Tax Reimbursement Incentive application and Workforce Housing Incentive Agreement with Affiliated Development, LLC, in substantially the form attached, and delegating authority to the City Manager to execute the agreement together with any and all ancillary or subsequent documents necessary and incidental to the administration of the incentive agreement for “The Cypress” development project, located at 400 Corporate Drive.

Background

The Affordable Housing Ad Valorem Tax Reimbursement Program (“*Program*”) was established with the adoption of City Commission Resolution No. 23-231 to support affordable housing developments by providing financial assistance through reimbursement of new ad valorem taxes. Resolution No. 23-231 is attached as Exhibit 1.

Focused on creating affordable housing units throughout the City of Fort Lauderdale, the Program can support mixed-income projects, containing both affordable and market rate residential units. Under the Program, affordable units are restricted to households with incomes at least at or below 120% of the median family income, with a 30-year deed restriction.

To accommodate the unique attributes of each project, funding requests are reviewed based on the merits of the proposal and demonstration of public benefit for program eligibility. The annual distribution of ad valorem taxes is based on the availability of funds and is established through an agreement with specified terms and schedule of ad valorem tax reimbursement between the City and developer, with approval by the City Commission.

The Affordable-Workforce Housing Ad Valorem Tax Reimbursement Application, which includes project information, development team experience, property address, tax information, number of housing units, project sources and uses, and the development pro-forma, is attached as Exhibit 2.

Project Overview

The Cypress development is a mixed-use, mixed-income project proposed at 400 Corporate Drive. The development includes 340 residential rental units, ground level commercial and amenity space, and a multi-story parking garage that will serve the abutting hotel and proposed development. The project will offer one, two, and three-bedroom apartments with 136 units set aside as workforce housing, representing forty 40% of the project's units. Of the 136 units, 34 will be available to households at 100% or below the area median income (AMI), and 102 will be available to households at 120% or below the AMI. The units will be required to remain affordable to households within these income ranges for 30 years. The remaining 204 units will be rented at market rate.

Funding Request

The developer is requesting a 100% ad valorem tax reimbursement from the City's ad valorem taxes generated by the tax increment revenue produced by the project. A tax increment is the difference between the development sites current tax value and post development tax value. Site improvements will increase the sites taxable value, and that tax increment will be reimbursed to the applicant in exchange for restricting residential units as workforce housing.

The requested reimbursement period is for 15 years, with payments beginning in the first tax year after the project has received a Certificate of Occupancy. The developer's total project investment costs are estimated at \$120,000,000. The developer estimates building construction to take approximately two years, leasing to take one year, and building stabilization to occur in four years.

The developer submitted a needs analysis, which states the annual differential between the market rate and affordable housing units produces a potential annual rental loss of \$535,260. The applicant is requesting a 15-year reimbursement of the City's portion of ad valorem taxes at 100% percent of the increment revenue generated at the time of building permit issuance. Under this agreement the city will continue to collect pre-development ad valorem taxes, which are currently \$14,613 annually. The value of anticipated ad valorem tax revenue over 15 years is approximately \$6,345,904, and the applicant is requesting a tax reimbursement cap of \$8,832,340 to account for potential deviation in valuation over the 15-year reimbursement period. It is projected that during the remainder of the 30-year affordable housing restriction period the City will collect an anticipated \$8,600,000 in ad valorem taxes between the 16th and 30th year of the Workforce Housing Incentive Agreement.

The Workforce Housing Incentive Agreement is attached as Exhibit 3.

Resource Impact

Ad valorem tax reimbursement in the first year of the project is estimated at approximately \$365,017, with a projected total of \$6,345,904, and is not to exceed a total of \$8,832,340. The city will budget for tax reimbursement based on the preliminary tax roll in June of each year and reimburse on evidence that taxes have been paid.

Strategic Connections

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.

Attachments

Exhibit 1 – Resolution No. 23-231

Exhibit 2 – Affordable-Workforce Housing Tax Reimbursement Application

Exhibit 3 – Workforce Housing Incentive Agreement

Exhibit 4 – Resolution

Prepared by: Adam Schnell, Principal Urban Planner, Development Services Department

Department Director: Anthony Greg Fajardo, Development Services Department