

RESOLUTION NO. 23-09 (CRA)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY AMENDING RESOLUTION NO. 22-16 (CRA); APPROVING AN INCREASE IN FUNDING FROM ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,500,000) TO ONE MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,900,000) TO RELATED FATVILLAGE, LLC FOR "THE GALLERY AT FATVILLAGE" MIXED-USE, AFFORDABLE HOUSING PROJECT LOCATED AT 600 ANDREWS AVENUE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on November 1, 2022, pursuant to Resolution No. 22-16 (CRA), the Board of Commissioners of the Fort Lauderdale Community Redevelopment Agency approved funding in the amount of \$1,500,000 to Related FATVillage LLC for a mixed-use, mixed-income affordable housing project (the "Project"); and

WHEREAS, there is a gap in financing due to rising construction costs; and

WHEREAS, the mix of affordable housing units has changed from thirty-nine (39) units to fifty-three (53) units leased to households at 50% of Area Median Income (AMI), from one hundred eleven (111) units to ninety-seven (97) units leased to households at 120% of AMI and one hundred thirteen (113) units of market rate units; and

WHEREAS, Related FATVillage, LLC needs additional funding to proceed with the Project; and

WHEREAS, staff recommends that the CRA increases its allocation of funding for this Project by \$400,000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY:

SECTION 1. That the Recitals set forth above are true and correct and incorporated herein by this reference.

SECTION 2. That the Fort Lauderdale Community Redevelopment Agency hereby approves additional funding under the CRA's Development Incentive Program ("DIP") in the amount of Four Hundred Thousand and No/100 Dollars (\$400,000) to Related FATVillage, LLC, a Florida limited

liability company, which shall increase the overall funding to One Million Nine Hundred Thousand and No/100 Dollars (\$1,900,000). That the change in the number and allocation of affordable units is hereby approved.

SECTION 3. That Resolution 22-16 (CRA) shall remain in full force and effect, subject to the amendment as provided herein.

SECTION 4. That the office of the General Counsel shall review and approve as to form all documents prior to their execution by the Executive Director.

SECTION 5. That this Resolution shall be in full force and effect upon final passage.


ADOPTED this 5th day of July, 2023.


Chair
DEAN J. TRANTALIS

ATTEST:


CRA Secretary
DAVID R. SOLOMAN

APPROVED AS TO FORM
AND CORRECTNESS:


Interim General Counsel
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>



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#23-0661

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Greg Chavarria, CRA Executive Director

DATE: July 5, 2023

TITLE: Resolution Approving an Increase of \$400,000 in Development Incentive Program Loan Funds to Related FATVillage, LLC for the Gallery at FAT Village Project Located at 600 Andrews Avenue - **(Commission District 2)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve an increase of \$400,000 in Development Incentive Program Loan funds to Related FATVillage, LLC for the Gallery at FAT Village Project located at 600 Andrews Avenue.

Background

The Gallery at FAT Village Project is located at 600 Andrews Avenue consisting of a 16-story mixed-use and mixed-income development with 263 multifamily residential units and 2,394 square feet of ground floor retail. Of the 263 residential units, 53 units will be leased at 50% of the area median income (AMI) and 97 units will be leased at 120% AMI with the remainder (113 units) leased at market rates. It should be noted this is a change from the previously approved plan, resulting in an overall increase in unit count, however the number of rent and income restricted units remains the same at 150 with affordability restrictions for a period of 75 years. The amended plan was approved unanimously by the City Commission on April 18, 2023 (CAM 23-0347). The location map/Broward County Property Appraiser information is attached as Exhibit 1.

To address escalating development costs, the applicant requested a total of \$2,500,000 from Broward County, which the County committed to, and \$2,500,000 from the City of Fort Lauderdale for a total of \$5,000,000. The City Commission heard 2 items related to providing funding to this project on November 1, 2022. The Fort Lauderdale CRA adopted Resolution 22-16 (CAM 22-0898) on November 1, 2022, approving a Development Incentive Program Loan in the amount of \$1,500,000 to Related FAT Village, LLC. In addition, the City Commission also approved an Affordable Housing Loan (CAM 22-0977) in the amount of \$600,000 on the November 1, 2022, for an overall total of \$2,100,000. However, the additional \$400,000 needed to meet the \$2,500,000 request was intended to come back to the City Commission at a later date once a funding source had been identified.

The Northwest-Progresso-Flagler Heights (NPF) CRA received additional revenue above what was budgeted in Fiscal Year 2023. Of the amount received, staff recommends a reappropriation of \$400,000 to accommodate the additional costs needed to fund the Gallery at FAT Village Project. The total amended award will increase from \$1,500,000 to \$1,900,000 in CRA Development Incentive Program funds. This, along with the approved \$600,000 Affordable Housing Loan, will result in the total \$2,500,000 as requested from the City of Fort Lauderdale.

The 1.178 acre (51,000 square foot) site is zoned Downtown Regional Activity Center – Urban Village (RAC-UV) and is located at the northeast corner of Andrews Avenue and Sistrunk Boulevard. The site is owned by Broward County and has been vacant since 2009. The County entered a 75-year ground lease with the Developer in December of 2017. The lease is contingent on obtaining financing for the project and will have an affordability covenant that restricts the affordable units.

The Development team is led by The Related Group, one of the country’s premier multi-family real estate development firms established in 1979 by Jorge Perez. Related FATVillage, LLC is an affiliate of The Related Group. The venture also includes a non-profit partner that is an affiliate of the founders of the FATVillage Arts District, co-founded in 1999 by Doug McCraw and Lutz Hofbauer.

The project will be financed with tax exempt bonds issued by HFA of Broward County and 4% as-of-right Low Income Housing Tax Credits (LIHTC) allocated through the Florida Housing Finance Corporation. The Broward County loan is a zero percent interest loan with a 30-year maturity, payable upon maturity of the loan or upon sale or refinancing of the project. The CRA loan is similarly structured and the CRA’s \$1.9 million may be assigned in the future to Invest Fort Lauderdale, the CRA’s Economic Development Corporation. CRA funding will be applied to project construction cost.

Resource Impact

Funds for this transaction are available in the account listed below.

Funds available as of June 22, 2023					
ACCOUNT NUMBER	PROJECT NAME (Program)	CHARACTER/ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203-CRA092304	Development Incentive Improvement Program FY 23	Other Operating Expense/Redevelopment Projects	\$16,864,020	\$7,614,020	\$400,000
TOTAL AMOUNT ►					\$400,000

Strategic Connections

This item is a 2022 Top Commission Priority, advancing the Homelessness and Housing Opportunities initiative.

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods
- Objective: Ensure a range of affordable housing options

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Community and We Are Prosperous.

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan specifically advancing:

- 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 .

Attachments

Exhibit 1 – Location Map/Broward County Property Appraiser Information

Exhibit 2 – Resolution

Prepared by: Bob Wojcik, CRA Housing and Economic Development Manager
Clarence Woods, CRA Manager

CRA Executive Director: Greg Chavarria