



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#23-0295

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

FROM: Greg Chavarria, CRA Executive Director

DATE: November 7, 2023

TITLE: Resolution Waiving the Maximum Funding Amount and Approving a Forgivable Loan Increase of \$400,000 Under the Property and Business Improvement Program to V&R Family Enterprises, Corp.; Authorizing the Executive Director to Execute all Documents Related to this Transaction; and Delegating Authority to the Executive Director to Take Certain Actions and Providing for an Effective Date - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners waive the maximum program funding amounts and approve an increase in the forgivable loan funding to V&R Family Enterprises, Corp. in the amount of \$400,000 from the Property and Business Improvement Program (PBIP) for the renovation, modernization, and build-out of an existing building located at 1227 Sistrunk Boulevard, Fort Lauderdale, Florida, 33311; authorize the Executive Director to execute all documents related to this transaction; and delegate authority to the Executive Director to take certain actions and provide for an effective date.

Background

On November 5, 2019, V&R Family Enterprises, Corp. (Developer) was awarded a forgivable loan in the amount of \$225,000 from the PBIP program, and of \$125,000 from the Commercial Façade Improvement Program. The total initial forgivable loan amount of \$350,000 was granted for the renovation, modernization, and build-out of their existing building located at 1227 Sistrunk Boulevard, Fort Lauderdale, Florida 33311 (the Property) to create a mixed-use development.

The proposed renovation and build-out of the two-story, 5,246 square foot building, which was constructed in 1959 on a 6,039 square foot site, is for an event and reception hall for the community on the ground floor, and five affordable rental housing units on the second floor. Parking for the building is in the rear of the property, facing NW 6th Court on a separate 7,000 square foot lot owned by the Developer. The requested loan amount will be secured by a five-year, forgivable first mortgage on the property.

The Developer is planning to renovate and modernize the 1,449 square foot space on the ground floor to create a special event venue, to be rented out to the community. The space will include new handicap-accessible restrooms, a warming kitchen, and 616 square feet of storage. The Developer will provide event coordination and offer its clients personalized event planning for corporate meetings, banquets, weddings, family reunions, fund-raisers, funerals, and other special events. The Bolden family has owned and operated a successful event and party planning business, and now plans to continue the business in this space. Churches and funeral parlors in the area have also expressed great interest in using the space for weddings, repasses and other events. Property maintenance and apartment leasing will be managed by Tommy Bolden, who has extensive experience managing the family portfolio of rental properties. The Developer projects a positive income stream from the first year of operations.

The Developer also plans to renovate and build out five 450-square foot, one-bedroom, affordable rental units on the second floor of the building. The building will have a clean, modern look with new impact windows and doors, central air conditioning, tiled floors, and an outdoor patio area. This project will provide the community not only with needed affordable housing options and a modern event space, but also with employment opportunities for the future.

The initial total project cost was estimated at \$735,755. The initially approved CRA funding in the amount of \$350,000 represented approximately 47% of the total project cost. Since that approval, the cost of construction, materials, and equipment has significantly increased, partially due to the pandemic and its aftermath, and due to general delays in the construction industry. The total project cost has now increased to approximately \$1,119,268. The Developer is requesting an additional \$400,000. The CRA's total contribution will be \$750,000, representing 67% of the total project cost. The Developer's contribution of \$369,268 represents the remaining 33%.

SOURCES		USES	
Total CRA Funding	\$750,000.00	Updated Construction Cost	\$1,094,268.00
Developer Contribution	<u>369,268.00</u>	Permitting and Fees	25,000.00
TOTAL	\$1,119,268.00	TOTAL	\$1,119,268.00

Sistrunk Boulevard is a CRA Focus Area which requires a funding match from applicants but allows for flexibility in the maximum funding limits under the CRA Façade Improvement Program and Property Improvement Program. Under the Façade Improvement Program, these funding limits are 100 percent (100%) of the first \$75,000 and 95 percent (95%) of the cost between \$75,000 and \$125,000, not to exceed \$125,000. Under the Property Improvement Program, funding limits are 90 percent (90%) of the project cost, not to exceed \$225,000. The CRA Board can increase these limits on a case-by-case basis in the Focus Area. Even though this project lies within the CRA Focus Area and is eligible for 90% of the construction cost, the CRA's contribution to this project will be 67%. The Developer has sufficient funding to cover its funding match and still has an adequate operating reserve.

The Developer has submitted the architectural drawings to the building department and is currently in the permitting phase. Once the permits are issued, it is projected that the construction will be completed within eight to nine months.

While new business and projects are important and represent new investment and confidence in the area, it is equally important for the CRA to invest in projects where local property owners are struggling to maintain their property and are willing to make an investment to participate in the redevelopment of their community, providing the CRA can assist them in these efforts. The first focus of the CRA should be on community benefits to existing buildings and people who have already invested in and own businesses and properties in the community. V&R Family Enterprises, with its long-standing family and business presence, is committed to sustainability by actively participating in their community and integrating sustainable business practices wherever possible.

A copy of the Location Map; Broward County Property Appraiser Information; Updated Construction Cost Breakdown; Architectural Plans; Amended Property and Business Improvement Program Agreement; Minutes of the Advisory Board Meeting of 9/12/2023; and Resolution are attached as Exhibits 1 through 7.

Consistency with the NPF CRA Community Redevelopment Plan

The Northwest-Progresso-Flagler Heights (NPF) CRA Community Redevelopment Plan is designed, in part, to stimulate private development of areas planned for commercial development. The project is consistent with the NPF CRA Community Redevelopment Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life and attract sound business and commercial development that provide employment and job opportunities.

The project is consistent with the NPF Community Redevelopment Area Community Redevelopment Plan, which identifies the Sistrunk corridor as a Focus Area to be revitalized and redeveloped. This area of the city has the potential to serve as a major source of investment and employment for the surrounding community. The CRA Plan identifies strategic objectives, goals, and measures that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area and create jobs for area residents. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment area.

Resource Impact

There is a fiscal impact to the CRA in the amount of \$400,000 in Fiscal Year 2024 in the account listed below.

Funds available as of October 1, 2023					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203- CRA092402	Property and Business Improvement Program FY 24	Other Operating Expense/Redevelopment Projects	\$950,000	\$950,000	\$400,000
TOTAL AMOUNT ►					\$400,000

Strategic Connections

This item is a *FY 2024 Commission Priority*, advancing the Economic Development and Housing Accessibility initiatives.

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
- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace
- Objective: Nurture and support existing local businesses

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

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.
- Goal 2: Be a community of strong, beautiful, and healthy neighborhoods.
- The Business Development Focus Area
- The Economic Development Element
- Goal 2: Enhance the economic competitiveness of Fort Lauderdale through policies and encourage retention and recruitment of business and industry which provide living wage employment and increased training and competitiveness in the local workforce.

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Broward County Property Appraiser Information – 1227 NW 6 Street

Exhibit 3 – Updated Construction Cost Estimate

Exhibit 4 – Architectural Plans

Exhibit 5 – Amended Property and Business Improvement Program Agreement

Exhibit 6 – September 12, 2023 NPF CRA Advisory Board Draft Minutes

Exhibit 7 – Resolution

Prepared by: Eleni Ward-Jankovic, CRA Housing and Economic Development Manager
Clarence Woods, CRA Manager

CRA Executive Director: Greg Chavarria