



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

FROM: Greg Chavarria, CRA Executive Director

DATE: September 6, 2022

TITLE: Resolution Approving Streetscape Enhancement Program Funding in the Amount of \$285,000 to Broward Partnership for the Homeless, Inc for the Seven on Seventh Mixed Use Affordable Housing Project Located at 920 NW 7th Avenue, Waiving the Program Requirement for a Mortgage on the Property, Authorizing the Executive Director to Execute Any and All Related Instruments, and Delegating Authority to the Executive Director to Take Certain Actions – **(Commission District 2)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve Streetscape Enhancement Program funding in the amount of \$285,000 to Broward Partnership for the Homeless, Inc for streetscape improvements for the Seven on Seventh mixed use affordable housing project located at 920 NW 7th Avenue and waive the requirement to record a mortgage on the property. A location map and application for funding are attached as Exhibit 1 and 2.

Background

Seven on Seventh is a new construction, mixed use affordable housing development that is under construction. The construction of the eight-story residential tower, amenities, and a structured parking garage is over 50% complete. The development will include seventy-two (72) rental units, building amenities, new case worker offices, and parking facilities for the community. The unit mix will include seven (7) studio/one bath units, fifty-seven (57) one bedroom/one bath units, and eight (8) two bedroom/two bath units. Amenities include a community room, fitness center, game room, computer lab/business center, terrace and interactive library, well-appointed residences, SEER rated appliances, energy efficiency certification, secured key fob access, structured parking for both residents and staff, retail and open promenade space, and professional on-site third-party property management. This will be an affordable housing community where 50% of the units will be reserved for formerly homeless individuals, many of whom are clients of Broward Partnership for the Homeless. Rents are targeted to tenants that make between 28% to 60% AMI (Area Median Income) with projected rents for a studio apartment from \$377 to \$877 per month, one bedroom/one bath units from \$398 to \$933 per month, and two bedroom/two bath units from \$398 to \$1,119 per month. The project is being constructed

on the existing surface parking lot of Broward Partnership for the Homeless Central Huizenga Campus on Seventh Avenue, just south of Sunrise Boulevard, and is zoned Northwest Regional Activity Center Mixed Use East. (NW RAC-MUe). A ninety-nine (99) year land lease was granted to Seventh on Seventh, Ltd for the project. The property is owned by Broward Partnership for the Homeless.

The Development team consists of Green Mills Holding, LLC and Broward Partnership for the Homeless, Inc. who are co-developing and jointly own Seven on Seventh. Green Mills is a Fort Lauderdale based developer and the company and its principals have managed the development and financing of over seventy residential communities, representing more than 7,000 apartments and \$1 billion in total development costs. They have developed similar properties throughout the state and recently completed and leased Silver Creek, a 90-unit mixed use affordable Housing Community in Miami-Dade County. They have extensive experience in working with various public and private funding sources and have one of Florida's highest competitive Low Income Housing Tax Credit application success rates and have never failed to close a transaction.

Funding of the \$28 million project consists of \$20.675 million in Low Income Housing Tax Credit Equity -Raymond James Tax Credit funds from their successful 2020 application and award by the Florida Housing Finance Corporation of competitive 9% Low Income Housing Tax Credits (LIHTC) from a specialized LIHTC round focused on supportive housing for formerly homeless individuals. Florida Housing has also provided a \$5.410 million State Apartment Incentive Loan (SAIL) and ELI funding. Broward Partnership for the Homeless, a 51% partner in the development has also provided \$1,000,000 loan to the project and Fifth Third Bank has committed a \$7.78 million construction loan. Project Proforma/Sources and Uses is attached as Exhibit 3. The CRA's \$285,000 in funding is currently projected to equal approximately 2% of the total development cost. However, this contribution is a critical component that will help bridge the funding gap in the development budget for cost escalations for material and labor they have experienced on this project along with increased Florida Power and Light Company cost from a pole relocation. As a result of material shortages and the construction cost climate, there are approximately \$1 million in pending change orders impacting on the development budget which only includes a hard cost contingency of approximately \$845,000.

The total Streetscape Improvement cost is currently estimated at \$476,345. In the CRA Focus area, which includes the location of the Project, the Streetscape Enhancement Program can pay for up to 90% of the streetscape cost in the public right-of-way. Staff is requesting that the program requirement for a mortgage on the site be waived, since CRA funding is provided as a reimbursement upon completion of the project. Project Plans, Budget and Cost Breakdown is attached as Exhibits 4 and 5.

The Northwest-Progresso-Flagler Heights (NPF) CRA Advisory Board at their meeting of August 9, 2022, unanimously recommended approval of this item (Exhibit 6).

Broward County and the City of Fort Lauderdale are in dire need of affordable housing units, not only for the homeless population, but for other families needing affordable

housing. CRA funds will help build a beautiful, safe, and thriving community within Fort Lauderdale that helps address the affordable housing shortages in Broward County.

Consistency with the NPF CRA Community Redevelopment Plan

The Redevelopment Program seeks to preserve and expand affordable housing, commercial development, and job opportunities. The NPF CRA Community Redevelopment Plan is designed, in part, to stimulate private development of areas. The Project is consistent with the NPF CRA Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life, promote public private partnerships, and investment in the area. In addition, per the Future Land Use Plan and CRA Plan, redevelopment and housing opportunities for low, very low, and moderate income household within the Northwest CRA should be encouraged.

Resource Impact

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

<i>Funds available as of August 18, 2022</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092203-4203	Streetscape Improvement Program FY22	Other Operating Expense/Redevelopment Projects	\$300,000	\$292,000	\$285,000
				TOTAL AMOUNT ►	\$285,000

Strategic Connections

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

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
- Objective: Work with partners to reduce homelessness by promoting independence and self-worth through advocacy, housing and comprehensive services.

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 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 – Location Map/Concept Renderings/Current Conditions

Exhibit 2 – Application for Funding/Information on Developer

Exhibit 3 – Project Proforma/Sources and Uses

Exhibit 4 – Project Plans

Exhibit 5 – Project Budget

Exhibit 6 – August 9, 2022 NPF CRA Advisory Board Draft Minutes

Exhibit 7 – Streetscape Enhancement Program Agreement

Exhibit 8 – Resolution

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