



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#22-0738

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

FROM: Greg Chavarria, CRA Executive Director

DATE: August 16, 2022

TITLE: Resolution Approving a Development Incentive Program Award of \$5,000,000 to Sistrunk View, LLC, Approval of a Letter of Intent and Commercial Contract for the Purchase and Development of Fort Lauderdale Community Redevelopment Area Property under Solicitation RFP #12642-925 for the Sistrunk View Project, Authorizing the Executive Director to Execute Any and All Related Instruments, and Delegating Authority to the Executive Director to Take Certain Actions - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Resolution approving a Development Incentive Program (DIP) award of \$5,000,000 to Sistrunk View, LLC, approval of a Letter of Intent and Commercial Contract for the purchase and development of Fort Lauderdale Community Redevelopment Area property under Solicitation RFP #12642-925 for the Sistrunk View Project, authorizing the Executive Director to execute any and all related instruments, and delegating authority to the Executive Director to take certain actions.

Background

On March 17, 2022, the City of Fort Lauderdale, on behalf of the Fort Lauderdale Community Redevelopment Agency, issued RFP 12642-925 – “Purchase and Development of CRA Property” and the CRA published a Notice of Intent to accept proposals for the purchase and development of CRA property located along Sistrunk Boulevard between NW 7th Terrace and NW 8th Avenue and along NW 7th Terrace and NW 8th Avenue, south of Sistrunk Boulevard, at 790 Sistrunk Boulevard, 538 NW 8 Avenue, 547 NW 7th Terrace, and 537 NW 7th Terrace under this RFP Solicitation. A copy of the location map of the properties is attached as Exhibit 1.

The property consists of vacant land with a total land area of approximately 42,828 square feet (.973 acres). The property has a land use designation of Northwest Regional Activity Center and is zoned a combination of NW RAC MUw (Northwest Regional Activity Center Mixed-Use West) and Residential Multi-Family Midrise-Medium High Density (RMM-25). A copy of RFP 12642-925 is attached as Exhibit 2. The purpose of the RFP is to seek proposals from qualified and experienced proposers, entities, or real estate developers

to redevelop the property that complies and furthers the purposes of the Community Redevelopment Plan. The CRA Plan aims to remove conditions of slum and blight; increase the tax base; enhance the quality of life; improve the aesthetics and useful enjoyment of the redevelopment area; and promote the health, safety, morals, and welfare of the residents of the CRA and the City. The property has a fair market value of \$1,245,000 based on an appraisal by American Realty Consultants as of October 5, 2021. Detailed submittal requirements were outlined in the RFP which required proposers to submit a Purchase Offer for the acquisition and development of the entire CRA site and an application for CRA funding, if required.

On May 6, 2022, a total of six (6) proposals were received. Proposals were received from:

- DeAngelo Development Inc
- Fuse Group Co.
- Land America Development Corporation
- Marie A Wells Arts and Education Center, Inc
- Sistrunk View, LLC /Housing Trust Group
- Urban Pointe Developers, LLC/Schumer Capital Corp

The Firms were evaluated based on the below Evaluation Criteria. The Evaluation Committee met on June 21, 2022 to review, initially score, and shortlist the proposals. The Evaluation Committee consisted of:

- Rhoda Glasco Foderingham, NPF CRA Advisory Board Chair
- Avis Wilkinson, City of Fort Laud. Asst. Housing and Community Development Manager, and
- Corey Ritchie, Fort Lauderdale Community Redevelopment Agency Project Manager

The Evaluation Committee made a unanimous decision to shortlist to three (3) firms. Three (3) of the firms: DeAngelo Development Inc, Land America Development Corporation, and Marie A Wells Arts and Education Center, Inc were deemed non-responsive, and their proposals were rejected by the committee. The remaining three (3) firms were invited to make a presentation at the next sitting of the committee.

The three (3) shortlisted firms were:

- Sistrunk View, LLC/Housing Trust Group
- Urban Pointe Developers, LLC/Schumer Capital Corp.
- Fuse Group Co.

The Evaluation Committee then met on July 5, 2022, to hear presentations and ask questions of the three shortlisted proposers. Thereafter, the proposals were ranked based on the below weighted criteria.

Evaluation Criteria	Weight (%)
The Proposed Project is in the best interest and furtherance of the CRA Redevelopment Plan and Vision Statement for the area in the Redevelopment Plan, provides community benefits, significant economic Impact and is most responsive to the requirements of the RFP.	25
The Developer demonstrates the financial capacity, development experience, qualifications and ability best suited to carry out the proposal.	25
The Conceptual Project Plans demonstrate sustainability, superior design, construction and features.	25
Purchase Offer and Incentives: The level at which they do not require significant CRA financial resources.	25
TOTAL	100

The proposal from Sistrunk View LLC/Housing Trust Group was deemed the most responsive and responsible and is therefore the highest ranked firm.

VENDOR	RANK
Sistrunk View LLC /Housing Trust Group	1
Urban Pointe Developers LLC/Schumer Capital Corp	2
Fuse Group Co.	3

The highest ranked proposer, Sistrunk View, LLC is an affiliate of Housing Trust Group, LLC along with Elite Equity Development Inc and Greg Brewton and Associates. Housing Trust Group will be taking the project lead role in the development team. Two (2) of the (3) three affiliates of Sistrunk View, LLC are minority owned. The group has proposed an attractive, modern design six-story mixed use affordable housing development called "Sistrunk View" consisting of one hundred & six (106) apartment homes, over 10,000 square feet of amenity space, 5,700 square feet of commercial space, and one hundred & eleven (111) parking spaces of structured parking. Project Plans and Illustrations are attached as Exhibit 10.

Community and Economic Development Benefits: 100% of the housing units will be affordable for persons with incomes between 30% and 80% AMI (area median Income) consisting of fifty-three (53) one bedroom-one bath and fifty-three (53) two bedroom-two bath units. These units will be affordable to office employees, medical workers, hospitality and other service industry workers, young families, and elderly. The affordability period for all units will be fifty (50) years.

The mixed income development will consist of sixteen (16) units restricted to those with incomes at 30% AMI with rents from \$510 to \$612 per month, forty-two (42) units restricted to those with incomes at 60% AMI with rents from \$1,025 to \$1,225 per month, and forty-eight (48) units restricted to those with incomes between 70 to 80% AMI with rents from \$1,190 to \$1,634 per month. High end outdoor and in-unit amenities are designed with the intention of improving wellness, access, and social interaction. Indoor unit amenities include a modern open floor plan, contemporary kitchens, quartz/granite counter tops, energy efficient stainless-steel appliances, HVAC and eco-friendly shower heads and faucets, vinyl plank luxury flooring, balconies/private terraces, and full size washer and dryer hook-ups. Common area amenities include a rooftop community room with catering kitchen for entertaining, state of the art fitness center, large, picturesque pool and lounge seating areas, outdoor dining and BBQ area, clubhouse with media room, computer access, and co-working flex space, large rooftop greenspace/garden with play area, full coverage security camera system, motion sensor lighting, controlled access to building, garage and elevators and professional on-site management. The Developer will obtain a National "LEED" (Leadership in Energy and Environmental Design) Green Building Certification for the project.

In addition to providing housing to families with incomes from \$18,500 to \$70,400, Sistrunk View will provide units for local artists and job training opportunities for CRA residents, with 30% of all jobs reserved for CRA residents. The Developer will provide tenant buildout for commercial tenants. All of the 5,700 square feet of commercial space fronting Sistrunk Boulevard can also be master leased to the CRA at a significantly reduced price estimated at \$12 per square foot. The CRA or its successor organization can then sublease the space to prospective targeted tenants at a reduced rent and/or provide a steady income stream to the CRA or its successor organization, such as it's Economic Development Corporation.

In addition to these community benefits of affordable housing and affordable commercial rents, the project will provide significant economic benefits to the CRA.

Financing for the \$34,395,555 project will include \$15,423,400 in equity through the syndication of non-competitive 4% tax credits from the Florida Housing Finance Corporation, a \$19,000,000 construction loan and \$10,500,000 permanent loan backed by Freddie Mac, and a \$5,000,000 CRA DIP "Non-Forgivable" loan and a CRA \$1,300,000 Seller's Note for the property purchase. Letters of Intent by JP Morgan Chase and Raymond James are attached as Exhibit 11.

Both the DIP loan and Seller Note will accrue interest at the rate of 1% and will be fully repaid to the CRA or its successor organization over 32 years with payments to the CRA of \$63,000 annually. The principal amount loaned from the CRA will be due at maturity, which means a full return on investment capital by the CRA plus \$1,500,000 in interest earned on the DIP Loan and \$390,000 in interest earned to the CRA from the CRA Sellers Note. This will be the first CRA funded project where all CRA funds will be fully repaid with interest. A copy of the Project's Sources and Uses and 10 year Operating Statement are attached as Exhibit 12.

Other significant Economic Benefits will occur over the course of the loans. The Developer has estimated that this will include \$5,736,000 in property taxes and over \$700,000 in permit, water, sewer connections and impact fees, and more than \$79,700,000 in direct economic impacts from construction activities.

Developer's Experience and Track Record: With a team of over 150 employees, Housing Trust Group is a highly experienced developer in Florida and has over \$265 million in real estate assets under management in Florida and ownership interest real estate assets worth more than \$325 million. Having completed over 50 developments in Florida alone with another 20 underway, they have the experience and financial capacity having developed more than 8,000 units of multi-family housing. They are also highly experienced Low Income Housing Tax Credit (LIHTC) developers and have successfully developed two separate LIHTC housing developments in the NPF CRA in Flagler Village. This includes "Village View", a contemporary 7 story, 100 unit, affordable elderly development at 640 Andrews Avenue, completed in July 2021. This development has a large rooftop pool, clubhouse with lounging and entertainment area along with a fully equipped fitness center and state of the art security system. Also in Flagler Village, completed in 2014, Village Place, located at 740 NE 4th Avenue. Village Place is a 112 unit, 6 story, affordable elderly mid-rise targeted to people aged 55 and older who earn between 25% to 60% AMI. The project received the National Association of Home Builders Silver Award in 2017 for Best 55+ Affordable Rental Community. The project includes a clubhouse, fitness center, courtyard, roof pool and private parking garage. A summary of the two projects is attached as Exhibit 13.

Project Timeline: The Developer's Timeline for the Project is to commence with development approvals within 60 days of award and to complete the project within 24 months of award by the CRA Board.

NPF CRA Advisory Board Recommendation: The NPF CRA Advisory Board unanimously recommended approval of this item at their meeting of July 12, 2022 (Exhibit 14).

Consistency with the NPF CRA Community Redevelopment Plan

The NPF CRA Community Redevelopment Plan is found to promote programs and projects that will have a positive impact on the neighborhood residents and low and moderate income households within the NPF CRA. The Redevelopment Program will assist in providing incentives as inducements to stimulate development to upgrade and replace incompatible land uses and blighting conditions affecting the area, and the Redevelopment Plan will help preserve and expand the supply of affordable housing and provide improvements to enhance the overall environment, improve the quality of life and attract sound business and commercial development that provide employment and job opportunities.

A major component of the redevelopment strategy for the NPF CRA is the revitalization of the residential neighborhoods. The Redevelopment Program seeks to preserve and expand affordable housing in the entire redevelopment area. Per the CRA plan, the CRA

will establish incentive programs to address redevelopment obstacles. In addition, per the Future Land Use Plan and CRA Plan, redevelopment and housing opportunities for low, very low, and moderate-income households within the Northwest RAC should be encouraged.

Resource Impact

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

<i>Funds available as of July 22, 2022</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB- OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
120-CRA092113-4203	CRA Business Incentives – Debt	Other Operating Expenditures/Redevelopment Projects	\$20,000,000	\$20,000,000	\$5,000,000
AMOUNT ►					\$5,000,000

Strategic Connections

This item is a *2022 Commission Priority*, advancing the Smart Growth 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 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 – RFP Property Location Map
 Exhibit 2 – RFP 12642-925 - Purchase and Development of CRA Property
 Exhibit 3 – Proposal - Sistrunk View, LLC/Housing Trust Group
 Exhibit 4 – Proposal - Urban Pointe Developers/Schumer Capital Corp.
 Exhibit 5 – Proposal - Fuse Group Co
 Exhibit 6 – Proposal - D'Angelo Development, LLC
 Exhibit 7 – Proposal - Marie A Wells Arts and Education Center, Inc
 Exhibit 8 – Proposal - Land America Development Corporation

Exhibit 9 – RFP Evaluation Committee Scoring and Ranking
Exhibit 10 – “Sistrunk View” Project Plans and Illustrations
Exhibit 11 – Letters of Intent from JP Morgan Chase and from Raymond James
Exhibit 12 – “Sistrunk View” Sources and Uses/Proforma Operating Statement
Exhibit 13 – Projects Completed by Housing Trust Group in the NPF CRA
Exhibit 14 – July 12, 2022 NPF CRA Advisory Board Draft Minutes
Exhibit 15 – Resolution
Exhibit 16 – Letter of Intent and Vacant Land Contract and Addendum

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