



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**CRA BOARD MEETING**

**#22-0898**

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

**FROM:** Greg Chavarria, CRA Executive Director

**DATE:** November 1, 2022

**TITLE:** Resolution Approving a Development Incentive Program Loan in the Amount of \$1,500,000 to Related FATVillage, LLC for the Gallery at FAT Village Project Located at 600 Andrews Avenue, 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**)

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**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Development Incentive Program Loan in the amount of \$1,500,000 to Related FATVillage, LLC for the Gallery at FAT Village Project located at 600 Andrews Avenue, authorize the Executive Director to execute any and all related instruments, and delegate authority to the Executive Director to take certain actions.

**Background**

Gallery at FAT Village is a new construction, mixed use, mixed-income rental housing development. The project is a Class A, 12 story tower, approximately 150 feet high, and will feature 195 residential rental units, 2,500 square feet of retail space, and 226 parking spaces in a 4-level parking garage. The building will be equipped with amenities including a gym, resort style pool, suntanning deck, gathering room, and leasing office. The units will include Energy Star stainless steel appliances, expansive kitchens, balconies at all units, chrome plumbing fixtures, and high-speed internet. The location map/Broward County Property Appraiser information is attached as Exhibit 1. The application for funding is attached as Exhibit 2 and the project plans/renderings are attached as Exhibit 3.

The project is a mixed-income development with one hundred fifty (150) rent and income restricted units, consisting of thirty-nine (39) units leased at 50% of the Area Median Income (AMI), one hundred eleven (111) units leased at 120% AMI, and forty-five (45) units leased at market rate. A breakdown of the unit types, income level served, average unit size, number of units of each type, and projected base rent is listed below.

Unit Type	Income Level Served	Average Unit Size	Number of Units	Base Pro Forma Rent	Rent PSF
0 BR/1 Ba	50%	494 SF	7	743	1.50
0 BR/1 Ba	120%	494 SF	26	1,904	3.85
0 BR/1 Ba	Market	494 SF	3	2,000	4.05
1 BR/1 Ba	50%	682 SF	21	784	1.15
1 BR/1 Ba	120%	682 SF	60	2,040	2.99
1 BR/1 Ba	Market	682 SF	22	2,600	3.81
2 BR/2 Ba	50%	1,078 SF	11	921	0.85
2 BR/2 Ba	120%	1,078 SF	25	2,449	2.27
2 BR/2 Ba	Market	1,078 SF	20	3,400	3.15
			195		2.67

The 1.178 acre (51,000 square foot) site is zoned Downtown Regional Activity Center – Urban Village (RAC-UV). The site, which is located at the northeast corner of Andrews Avenue and Sistrunk Boulevard, 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 a portion of the units.

The Development team is led by The Related Group, who is one of country's premier multi-family real estate development firms established in 1979 by Jorge Perez. While best known for luxury high rise development and visionary mixed-use urban centers, the Related Group is also one of the nation's leading developers of affordable rental properties financed with tax exempt bonds and low-income housing tax credits. The Related Group of Florida, Related Affordable Housing and The Related Companies of Florida have developed, rehabilitated, and managed over 15,000 affordable housing units. 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 total project cost will be approximately \$66.8 million. 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. Tax credit equity will equal \$4.45 million, and the first mortgage financing will be in the amount of \$37.47 million, with Developer equity of \$10.85 million and a deferred Developer's fee of \$9.03 million. A breakdown of the funding budget, sources/uses, and proforma is attached as Exhibit 4. The \$1.5 million CRA Development Incentive loan represents 2.2% of the total project cost. The Developer is also requesting a \$1 million loan from the City of Fort Lauderdale and Broward County is providing a loan in the amount up to \$2.5 million. 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 \$1.5 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.

In addition to providing a community benefit of affordable housing, the project will also provide approximately one hundred (100) construction jobs and eleven (11) permanent jobs will be created. The project is estimated to start construction in November 2022 and be completed by August 2024. The project will bring much needed affordable and workforce housing to the City of Fort Lauderdale and the Northwest-Progresso-Flagler Heights (NPF) Community Redevelopment Area. At their meeting of September 13, 2022, the NPF CRA Advisory Board unanimously recommended approval of Development Incentive Loan Program funding for this project. A copy of the September 13, 2022 NPF CRA Advisory Board minutes is attached as Exhibit 5. The Development Incentive Loan Program Agreement and Resolution are attached as Exhibits 6 and 7.

### **Resource Impact**

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

<b>Funds available as of October 24, 2022</b>					
<b>ACCOUNT NUMBER</b>	<b>COST CENTER NAME (Program)</b>	<b>CHARACTER/ACCOUNT NAME</b>	<b>AMENDED BUDGET (Character)</b>	<b>AVAILABLE BALANCE (Character)</b>	<b>AMOUNT</b>
20-119-1531-552-40-4203-CRA092304	Development Incentive Improvement Program FY23	Other Operating Expense/Redevelopment Projects	\$15,276,994	\$8,526,994	\$1,500,000
<b>TOTAL AMOUNT ►</b>					<b>\$1,500,000</b>

### **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

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/Broward County Property Appraiser Information

Exhibit 2 – Application for Funding

Exhibit 3 – Project Plans/Renderings

Exhibit 4 – Project Budget/Sources and Uses/Proforma

Exhibit 5 – September 13, 2022 NPF CRA Advisory Board Minutes

Exhibit 6 – Development Incentive Loan Program Agreement

Exhibit 7 – Resolution

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CRA Executive Director: Greg Chavarria