



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
REGULAR MEETING**

**#22-0977**

**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Greg Chavarria, City Manager

**DATE:** November 1, 2022

**TITLE:** Resolution Approving An Affordable Housing Loan in the Amount of Six Hundred Thousand (\$600,000) to Related FATVillage, LLC for the Gallery at FAT Village Project Located at 600 Andrews Avenue, Authorizing the City Manager to Execute Any and All Related Instruments, and Delegating Authority to the City Manager to Take Certain Actions – **(Commission District 2)**

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**Recommendation**

Staff recommends the City Commission approve an Affordable Housing Loan in the amount of Six Hundred Thousand (\$600,000) to Related FATVillage, LLC for the Gallery at FAT Village Project located at 600 Andrews Avenue, authorizing the City Manager to execute any and all related Instruments, and delegating authority to the City Manager to take certain actions. These funds are in addition to Community Redevelopment Agency (CRA) funds being requested in CAM #22-0898 in the amount of one million five hundred thousand (\$1,500,000).

**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. A Location Map is attached as Exhibit 1. The CRA Application for Funding is attached as Exhibit 2 and the Project Plans and Illustrations are attached as Exhibit 3.

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 into 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 the Broward County Housing Finance Authority (HFA) 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. The \$1.5 million CRA Development Incentive loan being sought represents 2.2% of the total project cost. The developer is also seeking \$1,000,000 in gap financing from the City. The City is proposing to fund \$600,000 from the City's Affordable Housing Trust. The project budget, funding sources and uses, and the project proforma is attached as Exhibit 4.

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

#### **Related CAM**

Community Redevelopment Agency CAM# 22-0898

### **Resource Impact**

Funds for this transaction are contingent on the appropriation of the annual Fiscal Year 2023 budget.

#### **Source**

#### **Source**

<i>Funds available as of October 1, 2022</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-149-0000-000-399-999	Affordable Housing Trust Fund	Misc. Rev/Affordable Housing Trust Fund	\$607,266.55	\$607,266.55	\$600,000.00
TOTAL AMOUNT ►					\$600,000.00

#### **Use**

<i>Funds available as of October 1, 2022</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-149-3210-554-40-4203	Affordable Housing Trust	Other Operating Expense / Redevelopment Projects	\$0.00	\$0.00	\$600,000.00
TOTAL AMOUNT ►					\$600,000.00

### **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

Exhibit 2 – CRA Application for Funding

Exhibit 3 – Project Plans & Illustrations

Exhibit 4 – Project Budget, Sources of Funding and Uses, and Proforma

Exhibit 5 – Resolution

Exhibit 6 – Housing Trust Fund Loan Agreement

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Prepared by: Rachel Williams, Housing and Community Development Manager

Director: Christopher Cooper, AICP, Development Services Department