



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#23-0504

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

FROM: Greg Chavarria, CRA Executive Director

DATE: June 6, 2023

TITLE: Resolution Approving a \$2,000,000 Development Incentive Program Forgivable Loan to New Hope Development Corporation for the New Hope Affordable Housing Development Located at 1316 Sistrunk Boulevard, 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 for a \$2,000,000 Development Incentive Program forgivable loan to New Hope Development Corporation for the New Hope Affordable Housing Development located at 1316 Sistrunk Boulevard, authorize the Executive Director to execute any and all related instruments, and delegate authority to the Executive Director to take certain actions.

Background

New Hope Affordable Housing is a four-story development with thirty (30) rental apartment homes and ground floor parking. The apartments average 900 square feet and are all two bedrooms each, hold two bath units with a kitchen, living room, dining area and outdoor balcony. A location map for the project is attached as Exhibit 1 and the Developer's application for funding is attached as Exhibit 2.

Unit amenities include ceramic tile floors and wall to wall carpeting, kitchens with designer crafted wood cabinets and natural stone counter tops and breakfast bar, Energy Star stainless steel appliances, stylish bathrooms, high efficiency AC and heating, ceiling fans in bedrooms and living room areas, LED lighting, and other designer, energy efficiency and construction features (Exhibit 3). The average rents are projected to be \$1,500 to \$1,700 per month and the apartment units will be affordable to and leased to households with incomes not to exceed 120% of the area median income (AMI) as adjusted by family size for a minimum of five years.

The proposed development will be constructed on the 12,115 square foot (0.278 acre) overflow parking lot of New Hope Church that is across the street from the church. The

minority developer, New Hope Development Corporation, is a partnership between NHB Sistrunk CDC and Land America Development Corporation. NHB Sistrunk CDC is a non-profit Community Development Corporation started by New Hope Church. Land America Development Corporation will take the lead in the project and will serve as the general contractor and through its affiliates will provide architectural and engineering design service, construction management and project management services. Their team includes Jason Shlonsky, Architect and General Contractor, Lou Campanile Jr, P.E., and Hilary Reid, along with consultants Jarvis Wyandon Architecture, ARC Engineering and International Consulting Engineers and Design, LLC. Land America is led by Vincent Prince, a CPA and General Contractor and former senior financial manager with a twenty-year career and a portfolio of numerous commercial and residential projects in the US and abroad.

The Developer met with City of Fort Lauderdale Planning and Design staff who provided a preliminary review of the project. Plans and illustrations of the project are attached as Exhibit 4.

The total project cost will be approximately \$6.43 million with CRA funding representing approximately 31% of the total project cost.

CRA funding will take the form of a forgivable loan secured by a mortgage on the property, subordinate to first mortgage construction and permanent financing. The Developer is working with RidgeRock AMG Holdings, who have expressed an interest in funding the project (Exhibit 5).

A breakdown of the funding sources, uses, and budget for the New Hope Affordable Housing Project is attached as Exhibit 6. CRA funding will be applied to project construction cost. Funding will be provided over two fiscal years with \$1,000,000 provided in this fiscal year and an additional \$1,000,000 provided in the next fiscal year after September 30, 2023.

The project will result in forty-five to fifty construction jobs, in addition to three permanent jobs. The project is estimated to start construction in 2023 and be completed in 2024. Per the Letter of intent, attached as Exhibit 8, the project and all amenities must be completed within 24 months from the date of award. If the project is not completed by the CRA sunset date of November 7, 2025, then the CRA's obligation to fund any undisbursed funds may be terminated.

The project will bring much needed affordable housing to the City of Fort Lauderdale and the Northwest-Progresso-Flagler Heights (NPF) Community Redevelopment Area. This funding request was unanimously recommended for approval by the NPF CRA Advisory Board at their meeting of February 14, 2023 (Exhibit 7). The Resolution is attached as Exhibits 9.

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 households within the Northwest CRA should be encouraged.

Resource Impact

Funds for this transaction are available in the account listed below. Funds will be spread over two years at \$1,000,000 per year totaling \$2,000,000. Future expenditures are contingent upon approval and appropriation of the annual budget.

<i>Funds available as of May 12, 2023</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40- 4203- CRA092304	Development Incentive Improvement Program FY23	Other Operating Expenses/Redevelopment Projects	\$14,921,184	\$5,671,184	\$1,000,000
TOTAL AMOUNT ►					\$1,000,000

Strategic Connections

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

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan specifically advancing:

- The Neighborhood Enhancement Focus Area
- The Future Land Use Element
- Goal 2: Sustainable Development: The City shall encourage sustainable, smart growth which designates areas for future growth, promotes connectivity, social equity, preservation of neighborhood character and compatibility of uses.

- 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, mobile homes, and group home facilities and foster care facilities, with supporting infrastructure and public facilities.
- Goal 2: Be a community of beautiful and healthy neighborhoods.

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Application for Funding

Exhibit 3 – Apartment Home Features

Exhibit 4 – Project Plans and Illustrations

Exhibit 5 – Letter of Interest to Fund – RidgeRock Asset Management Group

Exhibit 6 – Project Budget/Sources and Uses/Proforma

Exhibit 7 – February 14, 2023 NPF CRA Advisory Board Minutes

Exhibit 8 – Letter of Intent

Exhibit 9 – Resolution

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