



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#17-0510

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

FROM: Lee R. Feldman, ICMA-CM, Executive Director

DATE: April 19, 2017

TITLE: Motion to Approve Infill Housing Process

Recommendation

It is recommended that the Community Redevelopment Agency (CRA) Board of Commissioners approve the process to be used for infill housing in the Northwest Progresso Flagler Heights (NPF) CRA (Exhibit 1) and permit the CRA Executive Director to sign and execute all documents related to the transfer of CRA owned properties (*once a developer is selected*) and the approval of all homebuyers who seek CRA down payment assistance.

Background

On December 20, 2016 (CAM # 16-1241) the CRA Board of Commissioners approved a recommendation to request that the City Commission sell to the NPF CRA 55 lots that are suitable for infill housing.

On March 7, 2017 the City Commission approved a Resolution (17-16) to sell 55 infill housing lots to the CRA (Exhibit 2).

Staff held CRA Open House forums with the community on January 24th and February 27th to discuss the CRA and specifically the infill housing process.

On March 14, 2017 the NPF CRA Advisory Board met to discuss the infill housing process and they provided a recommendation to move forward (Exhibit 3).

To capitalize on the improving housing market, by virtue of the housing completed by Broward County (in Franklin Park), we believe it is best that we begin building in close proximity to those new single family homes. The newer homes in Franklin Park would provide the comparables needed for the CRA's new infill homes.

Proposed Infill Housing Process

The NPF CRA proposes to begin the infill housing process by issuing a Request for Proposals (RFP) for the residential lots that are west of I-95. This would include all CRA owned residential lots and the lots that are currently CRA owned.

Staff proposes that lots be donated to the successful RFP responder, via a competitive process. Each responder must provide information on their development team.

As part of the CRA's housing initiatives, we would also target the CRA Housing Rehabilitation funds in the area where we begin the infill housing process. See Exhibit 1 for more details.

Proposed Infill Housing Buyer Preferences

- Municipal Employees
- Teachers
- Retirees
- Medical employees

Buyers will not be limited to these preferences, but we want to place an emphasis on these preferences and we would provide RFP criteria that will assign additional points if the buyer fits one of these categories.

As part of approving a City of Fort Lauderdale employee for any of the homes, CRA staff will submit all buyers to the CRA Executive Director (or designee) for review and approval.

Other Information

Staff recommends that the infill lots be donated to the successful responder as part of the home being developed.

Staff proposes that the CRA Advisory Board serve as the RFP review committee. The Advisory Board would make an award recommendation to the CRA Board, based on the RFP's received from the developers. This was discussed at the March 2017 Advisory Board meeting and the Advisory Board is in agreement.

Additionally, the successful developers will be required to identify their buyers and if the buyer is in need of CRA down payment assistance, they must be approved through the down payment assistance process. The process of having the developer identify the buyer is consistent with how the City administered its Neighborhood Stabilization Program (NSP) and the HOME Investment Partnership Program (HOME). As such, we propose to use the same proven processes which have been successful in the City's Housing and Community Development (HCD) Division. This process includes the homebuyer securing a first mortgage on the property.

Each developer will be required to sign and execute a Development Agreement, Promissory Note, Mortgage and Restrictive Covenant. Once the property has been

built, as part of the transfer to the eligible homebuyer, the developers executed documents will be satisfied and the homebuyer will be required to execute a Participation Agreement, Promissory Note (*if they received CRA down payment assistance*), Mortgage (*if the homebuyer receives CRA down payment assistance*) and a restrictive covenant. All documents executed by the developer and homebuyer will be consistent with the documents used by HCD.

As approved in the CRA Incentive plan for the Purchase Assistance Program (PAP), below is a description of a target client, eligible property, limits of benefits and terms/obligations for individuals and families that will use CRA down payment assistance:

- Target Client: Eligible individuals and/or families that are purchasing a property they will occupy as their primary and homesteaded residence.
- Eligible Properties: Existing residential CRA and City-owned residential lots within the NPF CRA boundary.
- Basis/Limits of Benefits: Throughout the CRA a PAP award will provide down payment and closing cost assistance to the eligible homebuyer. Assistance to the homebuyer from the CRA cannot exceed \$45,000 and is based on affordability needs.
- Terms and Obligations: The program award will require an application and review process. The PAP award will have ongoing obligations/covenants, which includes, but is not limited to a forgivable loan and lien on the applicant's property. All properties will require owner occupancy and the maximum household income of the individuals or families assisted in this program cannot exceed 160% of the Area Median Income (AMI).

Consistency with the NPF CRA Community Redevelopment Plan

Pursuant to the NPF CRA Community Redevelopment Plan, immediate upgrades and improvements to infrastructure are proposed within the NPF CRA area to induce private investment and support development. The Plan recommends use of incentives for quality development. In addition, the CRA Five Year Strategic Plan, which was incorporated as part of the 2016 Redevelopment Plan Modification, recommends that the CRA invest in development projects that improve the quality of life, create job opportunities for area residents, promote sustainability, promote public/private partnerships, and enhance tax increment revenues for redistribution and investment in the redevelopment area.

Resource Impact

There is no fiscal impact to the infill housing process.

Strategic Connections

This item is a *Commission Annual Action Plan* priority, included within the Policy Agenda, advancing the Northwest Progresso Flagler Heights CRA – Capital Improvements and Housing strategy.

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, ports and rail connections.
- Objective 2: Facilitate a responsive and proactive business climate.
- Initiative 1: Evaluate and expand our existing portfolio of business attraction Incentives.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Prosperous*.

Attachments

Exhibit 1 – Proposed Residential Infill Housing Process

Exhibit 2 – CRA Owned Properties Purchased from the City of Fort Lauderdale

Exhibit 3 – NPF CRA Advisory Board Meeting Minutes (March 2017)

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