



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#18-0431

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

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: May 15, 2018

TITLE: Resolution Designating a Site-Specific Green Reuse Area Pursuant to
Florida's Brownfields Redevelopment Act – Property Located at or near
1615 NW 23rd Avenue, Fort Lauderdale, Broward County, Florida 33311

Recommendation

It is recommended that the City Commission adopt a resolution designating an approximately 8.51 acre property owned by the Housing Authority of the City of Fort Lauderdale (HACFL) and being developed by Suncrest Court Redevelopment, LLC (Suncrest Court), located at 1615 NW 23rd Avenue, Fort Lauderdale, Broward County, FL 33311, Folio Number 4942-32-19-0010 (Subject Property), a "Green Reuse Area"¹ pursuant to §376.80(2)(c), Florida Statutes.

Background

As a part of the efforts of the City of Fort Lauderdale (City) to spark environmental rehabilitation and increase redevelopment, the City's Sustainable Development Department (DSD) recommends City Commission approval of designating the Subject Property, approximately 8.51 acres in size, controlled by Suncrest Court Redevelopment, a "Green Reuse Area" pursuant to Section 376.80(2)(c), Florida Statutes, of Florida's Brownfields Redevelopment Act. If granted, the designation will enable Suncrest Court Redevelopment to manage the environmental complexities associated with the Subject Property and facilitate redevelopment of an older housing development in the shadow of a Superfund Site into new, much needed affordable housing that is designed to emphasize health, wellness, safety, and economic opportunity. When fully constructed, Suncrest Court Redevelopment will have invested approximately \$28.7 million into the Subject Property and have constructed 116 units in six buildings with an array of community amenities including a business center with computers and high-speed internet access, a fitness center, a tot lot, a resident and community services space, wireless internet in the common areas, and lush landscaping. The development will all feature a National Green Building Standard certification. Accordingly, City staff recommends the City Commission approve designation of the Subject

¹ Note that Suncrest Court Redevelopment is requesting that the City Resolution effectuating the designation not use the term "brownfield" but rather "Green Reuse Area." This request is specifically authorized by a change in the enabling law enacted by the Florida Legislature in 2014, which now provides that a "local government that designates a brownfield area pursuant to this section is not required to use the term "brownfield area" within the name of the brownfield area designated by the local government. See §376.80(12), Florida Statutes (2017). City staff concludes that designating the Subject Property a "Green Reuse Area" as opposed to a "brownfield area" is appropriate given the substantial resources that are being committed by Suncrest Court Redevelopment to environmental cleanup, economic redevelopment, sustainable land reuse, utilization of green construction materials and methodologies, and climate stewardship.

Property as a Green Reuse Area. Please see site map for the subject property attached as Exhibit 1.

Overview

The purpose of approving a request for designation under Section 376.80(2)(c), Florida Statutes, of Florida's Brownfields Redevelopment Act, is to promote environmental restoration, economic redevelopment, and more sustainable growth patterns, among other purposes. Environmental restoration of vacant or underutilized property has been historically proven to remove stigma, reduce blight, improve air and storm water quality, eliminate environmental health hazards, and in turn, spur redevelopment and revitalization. By statutory definition, brownfields encompass real property where expansion, redevelopment, or reuse of which has been or may be complicated by actual or perceived environmental contamination.

Since 1997, the Florida Brownfields Program (FBP) has made a wide array of financial, regulatory, and technical incentives available to local governments, businesses, and communities to catalyze environmental cleanup and economic redevelopment of marginalized or otherwise underutilized properties. In doing so, the FBP has encouraged confidence in neighborhood revitalization and investment of private capital in land reuse and job creation in hundreds of communities throughout Florida. According to figures provided by the State of Florida Department of Environmental Protection (FDEP), as of February 21, 2018, 452 areas covering approximately 267,935.66 acres have been designated as brownfields, generating over \$2.7 billion in private capital investment. Brownfield areas have enjoyed a wide range of redevelopment uses, including affordable housing, community health clinics, retail and commercial, renewable energy, transportation facilities, and conservation and recreation.

The facts here evidence that the Subject Property falls within the definition of the term "brownfield site" in that the Subject Property is located in close proximity to properties with actual soil contamination arising from the former City of Fort Lauderdale Wingate Incinerator and historical in-filling and/or dumping activities. The presence of actual contamination in close proximity to the Subject Property has significantly complicated redevelopment and reuse by (i) making it materially more expensive and time consuming to move forward with the project; (ii) imposing a host of design and construction changes on the project that would not be required but for the presence of actual contamination; and (iii) increasing Suncrest's exposure to environmental and regulatory liability with respect to the project.²

The Designation Process and Analysis

Pursuant to Florida Statutes, to initiate the designation process, a person that owns the real estate parcel must follow the applicable procedures specified in Section 376.80, Florida Statutes, including: 1) have the local jurisdiction where the proposed brownfield area is located pass the resolution attached hereto as Exhibit B, 2) have the local jurisdiction notify

² The Wingate Incinerator was located approximately 2,000 feet from the Subject Property between the 1950s and the 1970s. The incinerator was placed on the Superfund Program's National Priorities List ("NPL") in 1989 because of contaminated soil, sediment, and surface water arising from waste disposal practices at the incinerator. In addition to contaminant impacts to the Wingate Incinerator property itself, previous assessment of the incinerator documented elevated concentrations of arsenic and dioxins offsite in soils in the southern and eastern surrounding Washington Park neighborhood. This soil contamination in close proximity to the Subject Property, combined with the potential for the airborne deposition or dumping of incinerator ash at the Subject Property, significantly complicates redevelopment and rehabilitation of the Subject Property.

the FDEP of its decision to adopt the designation resolution, and 3) provide notice to the public in accordance with Sections 376.80(1)(c) and 166.041(3)(c)2, Florida Statutes. Additionally, the local jurisdiction must determine that the following five criteria have been met:

1. The applicant owns or controls the proposed brownfield area and has agreed to rehabilitate and redevelop the brownfield area;
2. The rehabilitation and redevelopment of the proposed brownfield area will result in economic productivity of the area, along with the creation of at least five new permanent jobs at the brownfield area (however, per Section 376.80(2)(a)(4)(c)(2), Florida Statutes, the job creation requirement does not apply to the rehabilitation and redevelopment of a brownfield area that will provide affordable housing);
3. The proposed brownfield area is consistent with the local comprehensive plan and is a permissible use under the applicable local land development regulations;
4. The applicant has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation; and
5. The person proposing the area for designation has provided reasonable assurance that he or she has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the brownfield area;

Staff has considered the factors in making this recommendation that the proposed designation of the Subject Property as the Suncrest Court Apartments Green Reuse Area is appropriate and concludes as follows:

1. Suncrest Court Redevelopment controls the proposed Green Reuse Area and has agreed to rehabilitate and redevelop it. It has provided sufficient documentation to the City in its Green Reuse Area Designation Request, submitted via email on April 2, 2018 (Green Reuse Area Designation Request) that it controls the Subject Property and provided a Ground Lease Agreement with Housing Authority of the City of Fort Lauderdale, the owner of the Subject Property, to evidence same. Further, Suncrest Court Redevelopment has agreed that it will redevelop and rehabilitate the Subject Property. For these reasons, City staff concludes that this first set of criteria has been met by Suncrest Court Redevelopment.
2. Designation of the Subject Property will result in economic productivity for the City. Suncrest Court Redevelopment has presented to the City that its capital budget for this project is approximately \$28.7 million, with a significant portion of that amount being spent on local labor, contractors, consultants, construction and building materials, infrastructure improvements, and impact fees. The direct and indirect financial ripple effects of the project are expected to result in major economic productivity for the area. Specifically, the project will draw in local income, taxes and other revenue for the City. Accordingly, City concludes that the project will result in significant economic productivity for the City. In addition, Suncrest Court Redevelopment has also demonstrated that the project will "provide affordable housing as defined in Flat. Stat. § 420.0004," which exempts it from the job creation requirement. For these reasons, City staff concludes that this second set of criteria

has been met by Suncrest Court Redevelopment.

3. Redevelopment and reuse of the Subject Property as proposed is consistent with the local comprehensive plan and is a permissible use under the applicable local land development regulations. Suncrest Court Redevelopment has provided sufficient documentation to the City in its Green Reuse Area Designation Request that its proposed construction of an affordable housing development at the Subject Property is consistent with the current zoning of the property and the City's Comprehensive Plan. Accordingly, because the contemplated development is consistent with the current comprehensive plan and permissible under the applicable local land development regulations, City staff concludes that this third set of criteria has been met by Suncrest Court Redevelopment.
4. Suncrest Court Redevelopment has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation. Specifically, Suncrest Court Redevelopment satisfies this fourth criterion in that it posted notice at the Subject Property, published notice in the Sun-Sentinel Newspaper, and posted notices in a local ethnic newspaper. All of the aforementioned notices were published in accordance with the applicable statutory requirements found in Section 376.80, Florida Statutes. In addition, Suncrest Court Redevelopment held a community meeting on April 25, 2018, at the Robert P. Kelley Building, 500 West Sunrise Boulevard, Fort Lauderdale, FL 33311. For these reasons, City staff concludes that this fourth set of criteria has been met by Suncrest Court Redevelopment.
5. Suncrest Court Redevelopment has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the Subject Property. Suncrest Court Redevelopment satisfies this fifth criterion in that it has the necessary capital to fund the budget for and then construct the project. Specifically, the total capital budget of approximately \$28.7 million is fully funded through a combination of equity and debt. Specifically, the Development will be funded by a \$3.9 million permanent tax-exempt bond, \$6.5 million in State Apartment Incentive Loan ("SAIL") funds, a \$7 million loan from the HACFL, \$100,000.00 from the Broward County Home Investment Partnership ("HOME") Program, a \$600,000.00 Supplemental Extremely Low Income loan, \$10,553.782.00 in limited partner equity, and a \$97,822.00 Deferred Developer Fee. In addition, Suncrest's principals, through their various development affiliates, have an extensive track record of success in financing, building, and managing major affordable and market-rate residential communities. One such affiliate, for example, Atlantic Pacific Companies ("APC"), has a well-deserved reputation as one of the leading real estate companies in Florida, Georgia, Texas, and California and a lengthy record of accomplishment for successfully funding and developing a broad array of multifamily projects. To date, APC has completed over 80 affordable housing developments totaling more than 9,000 units across the Southeastern region of United States. In addition, APC has collaborated with non-profits, housing authorities, and faith-based organizations to complete 29 developments, including over 3,000 housing units. Based on the current financial position of the Suncrest Court Redevelopment's parent, its proven history of leveraging its assets with other capital sources, its impressive track record of success, and the fact that the Subject Property has the requisite land use approvals it needs to complete the project, City staff concludes that this fifth and

final set of criteria has been met by Suncrest Court Redevelopment.

Resource Impact

There is no resource impact associated with this action.

Strategic Connections

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

- Goal 3: Be a community that finds opportunities and leverages partnerships to create unique, inviting, and connected gathering places that highlight our beaches, waterways, urban areas, and parks.
- Objective 1: Improve access to and enjoyment of our beach, Riverwalk, waterways, parks, and open spaces for everyone.

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

Attachments

Exhibit 1 - Site Map for the Subject Property
Exhibit 2 - Applicant's Request for Designation
Exhibit 3 - Resolution

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