



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

**#19-1068**

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

**FROM:** Chris Lagerbloom, ICMA-CM, Executive Director

**DATE:** November 5, 2019

**TITLE:** Motion Approving a \$225,000 Forgivable Loan from the Property and Business Improvement Program and a \$125,000 Forgivable Loan from the Façade Program to V & R Family Enterprises, Corp. for Renovation of 1227 Sistrunk Boulevard - (**Commission District 3**)

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**Recommendation**

It is recommended that the Community Redevelopment Agency (CRA) Board of Commissioners approve a \$225,000 Property and Business Improvement Program forgivable loan and a \$125,000 Façade Program forgivable loan to V & R Family Enterprises, Corp. for renovation of 1227 Sistrunk Boulevard, and authorize the Executive Director to negotiate and execute the development agreements and any and all other documents or instruments necessary or incidental to consummation of the transaction, subject to the review of the CRA General Counsel.

**Background**

V & R Family Enterprises, Corp is requesting a \$225,000 forgivable loan from the CRA Property and Business Improvement Program (PBIP) and a \$125,000 forgivable loan from the CRA Façade Program for renovations of the building and site at 1227 Sistrunk Boulevard (Exhibit 1).

This property is owned by the Bolden family and titled to the Virgil Bolden & Rose Bolden Revocable Living Trust. V & R Family Enterprises, Corp is the business that was established to manage their holdings and their son, Tommy Bolden, is President of V & R Family Enterprises, Corp. The Boldens own and manage rental property throughout the CRA area. They have resided in the northwest portion of the CRA in the Dorsey Riverbend neighborhood for over 50 years.

In 2017 they were awarded from the City a Community Development Block Grant Program forgivable loan in the amount of \$298,000 to help renovate their property at 1227 Sistrunk Boulevard which had been vacant since they purchased it from a church organization that had bought it two years earlier in 2005. When it was purchased in 2007 for \$326,000, they were unaware of the extensive improvements required for the building to be put back into service. The prior owner was also unable to move forward with their

plans to occupy it and sold it to the Boldens at a loss. The property consists of a 5,246 square foot, two-story building constructed in 1959 on a 6,039 square foot site. Parking for the building is in the rear of the property, facing NW 6 Court on a separate 7,000 square foot lot. The original building plans show a large open area on the first floor, accessible from the front entrance and a smaller storage area in the rear. The second floor was designed to accommodate five one bedroom rental units, accessible from an outside staircase with access to the front and rear of the building.

In response to community concerns that the existing remaining buildings along Sistrunk Boulevard would end up being demolished unless the CRA stepped in to assist the property owners with the expense of renovation, the CRA modified its incentive programs in 2017 to make Sistrunk Boulevard a Focus Area for CRA incentive programs and increased the funding limits to assist building owners of properties along Sistrunk to save some of the existing remaining architectural and historic fabric of the community.

Tommy Bolden, a former city employee, who retired from the City as a maintenance worker in 2015 had approached the City over the years for incentive funding for the property. The Boldens, in addition to their housing rental business, had a small business managed by Rosa Bolden and their daughter Merdine Mitchell that provided decorating and party planning for weddings and other events. With the intention of expanding this business, they secured at their own expense architectural services and developed the concept of turning the first floor of the building into a reception hall for the community, while providing affordable rental housing on the second floor. More detailed plans have since been developed using the CDBG funds and the construction cost to improve and repurpose the property for this project is estimated at \$620,425 (Exhibit 2). The total improvement cost, including permitting, architectural and engineering fees has been estimated at approximately \$735,755. The project will be managed by the CRA and the estimates were generated by the CRA Project Manager.

Sources		Uses	
CRA	\$350,000.00	Construction	\$620,425.00
CDBG	298,000.00	Architectural Services	105,330.00
Developer	87,755.00	Permitting and Fees	10,000.00
<b>TOTAL</b>	<b>\$735,755.00</b>	<b>TOTAL</b>	<b>\$735,755.00</b>

A copy of the architectural plans for the project are attached as Exhibit 3 and a copy of the Boldens application for CRA funding is attached as Exhibit 4. The renovated building will have approximately 1,449 square feet of assembly area, including new handicap accessible restrooms, a 234 square foot warming kitchen, and 616 square feet of storage area on the first floor, and five 450 square foot one bedroom apartments on the second floor. The building will have a clean modern look with new impact windows and doors, central air conditioning, tiled floors, and an outdoor patio area.

To encourage redevelopment of the CRA Sistrunk Focus Area, Façade Improvement Program funds for Focus Area properties provide for 100% of the first \$75,000 of the total

project cost and 95% of the cost between \$75,000 and \$125,000, not to exceed \$125,000. Under the PBIP Program, the CRA can provide for 90% of the total project cost not to exceed \$225,000. CRA funds will be provided as a forgivable loan, forgiven after 5 years and secured by a second mortgage on the property. The City will hold a \$298,000 third mortgage for their CDBG forgivable loan. The Developer has cash from their rental housing business to cover their match and provide a fund reserve for any additional cost and operating expenses.

Because the funding for this project includes CDBG funds, in addition to the CRA funds, this federal program requires that at least 51% of the rental units be affordable to households at 80% of the median income. In this project, the Boldens CDGB funding agreement with the City goes beyond the minimum requirement for affordability such that 100% of the residential rental units in the project will be affordable rental units for a period of 10 years. Based on the Department of Housing and Urban Development (HUD) Home Investment Partnerships Program (HOME) rent limits, four (4) of the rental units are capped at 80% Area Median Income (AMI, currently at \$980 per month and one (1) of the rental units is capped at 30% AMI, currently at \$758 per month. Bolden estimates that the units will rent for an average of \$850 per month and the banquet hall will rent for \$1,000 an event, with most of the income generated by this project from the affordable rental units.

The banquet facility will be managed by the Bolden's daughter, Merdine Mitchell, who has years of experience in providing decorating and party planning from the time she worked with her mother in the family business and they still have a large inventory of event material such as linens, flatware, serving trays, china, and other material in storage that can be used. The Boldens have been approaching the churches and funeral parlors in the area that have expressed an interest in using the space for repass and other events. The property is next door to an active Fort Lauderdale Police substation which enhances the safety for such an operation in the area. Property maintenance and apartment leasing will be managed by Tommy Bolden, who is very experienced in this area from managing their portfolio of rental properties. The project projects a positive income stream the first year of operations.

The Bolden property at 1227 Sistrunk Boulevard, as other older properties along Sistrunk, suffer from deferred maintenance and many have code liens, some of which accumulate large fines over time. When the Property and Business Improvement Program was modified in 2017 it was recognized that substantial renovation of existing properties may require payment of property taxes, tax liens, City liens, and property insurance by the CRA in addition to providing funding for construction, equipment, architectural and permit fees, which are now all eligible costs under the program. While the CRA will not be paying existing liens on this property, City code liens do exist. A summary of outstanding City liens and code cases on this property are attached as Exhibit 5. It shows that there are three City of Fort Lauderdale board up liens on the property, which are hard costs, totaling \$5,564 that will need to be paid by the Boldens in addition to their match for construction and related expenses for the project. In addition, there is a demolition order on the property and a running City fine of \$300 per day for the building failing its 40 Year Building

Inspection required by law. The fine was imposed under a Special Master hearing and the current amount of the fine is \$490,200 as of September 9, 2019. The Magistrate has the authority to reduce or remove the fine once the building comes into full compliance, which will be accomplished as a result of this improvement project. The CRA has been working with the Community Enhancement and Code Compliance Division who are cooperating the City and CRA efforts to bring this building into compliance

CRA Staff over the last year has been presenting numerous projects where the applicant is new to the CRA area. While these projects are important and represent new investment and confidence in the area, it is equally important for the CRA to invest in projects where local property owners are struggling to maintain their property, and are willing to make an investment to participate in the redevelopment of their community providing the CRA can assist them in these efforts. The Urban Land Institute Technical Assistant Panel (ULI TAP) Report of 2014 that was recommended for approval by the CRA Advisory Board and accepted by the CRA Board, stated that in putting together incentive packages, that the first focus of the CRA should be on community benefits to existing buildings and people who have already invested in and own business and properties in the community. The CRA has been working with a number of local property owners along Sistrunk Boulevard who want to be a part of the redevelopment such as the Boldens, whose properties face various obstacles for development and the CRA will be bringing additional projects with similar issues that provide benefits directly to the stakeholders in the area such as the Bolden family project as these projects are more fully developed and ready for consideration by the CRA Board. The Northwest-Progresso-Flagler (NPF) CRA Advisory Board recommended approval of this request for funding at their meeting of October 8, 2019 (Exhibit 6).

#### Consistency with the NPF CRA Community Redevelopment Plan

The NPF CRA Community Redevelopment Plan is designed, in part, to stimulate private development of areas planned for commercial development. The project is consistent with the NPF CRA Community Redevelopment Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life and attract sound business and commercial development that provide employment and job opportunities.

Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles. The CRA 5-Year Program, which is incorporated as part of the Plan, identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment 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 RAC should be encouraged.

### **Resource Impact**

There will be a fiscal impact to the CRA in the amount of \$350,000 in the accounts listed below.

Funds available as of October 16, 2019					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092002-4203	Property and Business Improvement Program FY20	Other Operating/Redevelopment Projects	\$1,783,522	\$1,683,522	\$225,000
119-CRA092001-4203	Commercial Façade Improvement Program FY20	Other Operating/Redevelopment Projects	\$1,524,959	\$1,474,959	\$125,000
TOTAL ►					\$350,000

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2024* initiative, included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 4: Build a thriving and inclusive community of neighborhoods.
- Objective: Ensure a range of affordable housing options.

This item is also a *Press Play Fort Lauderdale Strategic Plan 2024* initiative, included within the Business Development Cylinder of Excellence, specifically advancing:

- Goal 5: Build an attractive and local economic community marketplace.
- Objective: Nurture and support existing local businesses.

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

### **Attachments**

Exhibit 1 - Location Map, Broward County Property Appraiser Information and Existing Photos of Property  
Exhibit 2 - Construction Cost Breakdown Prepared by CRA  
Exhibit 3 - Architectural Plans  
Exhibit 4 - CRA Funding Application  
Exhibit 5 - List of Open Code Cases on the Property  
Exhibit 6 - October 8, 2019 NPF CRA Advisory Board Draft Minutes  
Exhibit 7 - PBIP Agreement  
Exhibit 8 - Façade Program Agreement

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