



CITY OF FORT LAUDERDALE
Commission Agenda Memo
REGULAR MEETING

#20-0457

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: June 16, 2020

TITLE: Public Hearing and Adoption of Resolution Designating Real Property
Located at 900 NW 7 Avenue, Fort Lauderdale, FL 33311 as a Green
Reuse Area Pursuant to Florida's Brownfields Redevelopment Act –
(Commission District 2)

Recommendation

It is recommended that the City Commission adopt a resolution designating approximately 0.93 acres of land owned by the Broward Partnership for the Homeless, Inc. ("BPH") and under a ground lease with Seven on Seventh, Ltd ("Seven on Seventh"), located at 900 Northwest Seventh Avenue Fort Lauderdale, Broward County, FL 33311, Folio Numbers 494234059750 ("Subject Property") (Exhibit 1), as a "Green Reuse Area" pursuant to §376.80(2)(c), Florida Statutes. For the purpose of developing affordable residential rental community for seniors.

Background

As a part of the efforts of the City of Fort Lauderdale ("City") to spark environmental rehabilitation, encourage affordable housing, and increase redevelopment, staff recommends City Commission approval of designating the Subject Property, approximately 0.93 acres in size, controlled by Seven on Seventh as 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 Seven on Seventh to manage the environmental complexities associated with the Subject Property and facilitate redevelopment for affordable housing designed to emphasize health, wellness, safety, and economic opportunity. When fully constructed, Seven on Seventh will have invested approximately \$27.1 million into the Subject Property and have constructed 72 units in one building with an array of community amenities including a clubroom, a fitness center, a library, a business center and game room. Accordingly, City staff recommends the City Commission approve designation of the Subject Property as a Green Reuse Area.

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.

The Subject Property falls within the definition of the term “brownfield site” there is a presence of groundwater contamination on the northern adjoining property arising from a historical discharge of diesel fuel in 2009 from an underground storage tank associated with an emergency generator. Assessment, remediation, and groundwater monitoring are ongoing at the property. The contamination on the Subject Property has significantly complicated redevelopment and reuse by (i) making it materially more expensive and time consuming to move forward with the Development; (ii) imposing a host of design and construction changes on the Development with the potential for migration of additional contaminations during dewatering activities; and (iii) increasing Seven on Seventh’s exposure to environmental and regulatory liability with respect to the Development.

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 3), 2) have the local jurisdiction notify 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;
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 Seven on Seventh Green Reuse Area is appropriate and concludes as follows:

1. Seven on Seventh controls the proposed Green Reuse Area and has agreed to rehabilitate and redevelop. Seven on Seventh has provided sufficient documentation to the City in its Green Reuse Area Designation Request that it controls the Subject Property (Folio 494234059750) by virtue of a 99-year ground lease agreement between the Broward Partnership for the Homeless, Inc. ("BPH"), the owner of the Subject Property (Folio 494234059750). Further, there is a letter of consent provided by BPH.

2. Designation of the Subject Property will result in economic productivity for the City. Seven on Seventh has presented to the City that its capital budget for this project is approximately \$27 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, Seven on Seventh 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.

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. Seven on Seventh 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.

4. Seven on Seventh has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation. Specifically, Seven on Seventh satisfies this fourth criterion in that it posted notice at the Subject Property and published notice in the Sun-Sentinel Newspaper. All the aforementioned notices were published in accordance with the applicable statutory requirements found in Section 376.80, Florida Statutes. In addition, Seven on Seventh held a community meeting on October 21, 2019, at the Central Homeless Assistance Center at 920 NW 7th Avenue, Fort Lauderdale, FL 33311.

5. Seven on Seventh has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the Subject Property. Seven on Seventh satisfies this fifth criterion in that it has the necessary capital to fund the budget for and then construct the project. The total capital budget of approximately \$27 million is funded through a combination of equity and debt. Specifically, the Development will be funded by a \$20 million in Low income Housing Tax Credit Limited Partner Equity, \$5.0 million in Florida Housing Corporation State Apartment Incentive Loan, a \$370,800 Florida Housing Finance Corporation of Extremely Low-Income loan, and a \$1.7 million deferred developer fee.

Resource Impact

There is no resource impact associated with this action.

Strategic Connections

This item supports the *Press Play Fort Lauderdale Strategic Plan 2024* Plan, specifically advancing:

- The Neighborhood Enhancement Area
- Goal 3: 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 Here.

Attachments

Exhibit 1 – Site Map

Exhibit 2 – Applicant's Request for Designation

Exhibit 3 – Resolution

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