



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#21-0126

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: February 16, 2021

TITLE: **REVISED CRA R-1** - Resolution Authorizing the Acquisition, Closing Costs, Demolition, and Due Diligence of Real Property Located at 408 NW 14th Terrace (Former YMCA Site) and 422 NW 14th Avenue for ~~\$560,000~~ **\$600,000**, and Delegating Authority to the Executive Director to Negotiate and Execute the Purchase and Sale Agreement and Any Other Documents Related to this Transaction - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners adopt a Resolution authorizing the purchase of real property located at 408 NW 14th Terrace, Fort Lauderdale, FL 33311 and 422 NW 14th Avenue, Fort Lauderdale, FL 33311 in the amount of ~~\$560,000~~ **\$600,000** (to include purchase price for acquisition, closing costs, demolition costs, and due diligence fees and expenses), and delegating authority to the Executive Director to negotiate and execute the purchase and sale agreement and any other documents related to this transaction.

Background

A major component of the CRA's redevelopment strategy is the revitalization of its residential neighborhoods. The CRA's Redevelopment Program seeks to preserve and expand housing in the CRA area through targeted infill development. Targeted infill development is intended to remove pockets of blighted and vacant land, provide for market rate housing, and promote homeownership opportunities. Staff has identified the following sites as future targets for infill development.

The sites located at 408 NW 14th Terrace, Fort Lauderdale, FL 33311 and 422 NW 14th Avenue, Fort Lauderdale, FL, 33311 are comprised of two parcels. Parcel #1 located at 408 NW 14th Terrace, contains approximately 70,268 square feet or 1.61 acres of land. This site is currently improved with a 41-year old building known as the L.A. Lee Young Men's Christian Association (YMCA) of South Florida. The YMCA building is approximately 14,285 gross square feet. Built in 1979, the YMCA building is in need of significant capital improvements. Parcel #2, located at 422 NW 14th Avenue, is a 3,955 square foot vacant lot located across the street from the YMCA building. Both parcels are zoned RS-8, which permits single-family homes and are located within the Historic Dorsey

River-Bend neighborhood.

It is the intent of the YMCA to sell both sites (Parcel #1 and Parcel #2) and move into its new facility, located at 1409 NW 6 Street, Fort Lauderdale, FL 33311. The construction of the new LA Lee YMCA Mizell Community Center is underway and is one of the newest developments along the Sistrunk corridor. The YMCA has agreed to sell both sites (Parcel #1 and Parcel #2) to the Northwest-Progresso-Flagler Heights CRA (NPF-CRA) for \$500,000. The NPF-CRA received two appraisals. Based on the appraisal by Callaway & Price, Inc., both parcels have a market value of \$535,000 as of July 6, 2020; Walter Duke & Partners appraised both parcels at a market value of \$500,000 as of July 16, 2020.

On August 11, 2020, the purchase of the former L.A. Lee YMCA property was presented before the NPF-CRA Advisory Board and approved. A copy of the Location Map; Walter Duke & Partners Appraisal; Callaway & Price, Inc. Appraisal; the NPF-CRA Advisory Board Minutes of the August 11, 2020 meeting; and the purchase and sale agreement are attached as Exhibits 1 through 6.

It is recommended that the NPF-CRA purchase Parcel #1 and Parcel #2 from the YMCA for infill development of single-family homes. The total price to acquire both parcels is ~~\$560,000~~ **\$600,000** (to include acquisition price of \$500,000, closing costs, demolition costs and the cost of due diligence). The acquisition of this real property is consistent with the NPF-CRA's Redevelopment Program, which seeks to preserve and expand housing in the CRA area through targeted infill development. Staff also recommends demolishing the existing YMCA building, which is in need of significant capital improvements. The estimated cost to demolish the YMCA building is \$80,000. The YMCA has agreed to pay \$40,000 towards the demolition costs. Additional costs include \$10,000 in closing costs and \$10,000 in due diligence.

Additionally, staff recommends issuing a Request for Proposals (RFP) to secure a developer or developers to build workforce housing that include single-family detached homes or possibly townhomes on Parcel #1 and Parcel #2. Staff also recommends that the maximum household income of individuals who are allowed to purchase the homes be capped at 80% to 160% of the Area Median Income (AMI) and that they must occupy the home as their primary and homesteaded residence. Finally, a seven (7) year subordinate forgivable mortgage should be placed on the property to recapture the initial land value if sold within seven years.

Consistency with the NPF-CRA Community Redevelopment Plan

A major component of the redevelopment strategy for the NPF-CRA is the revitalization of the residential neighborhoods. The Redevelopment Program seeks to preserve and expand affordable housing in the entire redevelopment area. The supply of affordable housing will continue to be increased through targeted infill development projects. It is recommended that the NPF-CRA purchase Parcel #1 and Parcel #2 within the redevelopment area to provide homeownership opportunities, remove pockets of blighted and vacant land, increase the tax base and enhance the quality of life.

In addition, the CRA Five Year Strategic Plan, recommends that the NPF-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

Funds for this transaction totaling ~~\$560,000~~ **\$600,000** are available in the account listed below.

The YMCA has agreed to contribute \$40,000 toward the demolition costs. The contribution of \$40,000 will be appropriated on the March 2, 2021 CRA Board Meeting and consolidated budget amendment.

Funds available as of January 20, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092104-4203 6504	Development Incentive Improvement Program FY21	Land Acquisition Other Operating Expense/Redevelopment Projects	\$8,236,087	\$1,486,087	\$560,000 \$600,000
TOTAL ►					\$560,000 \$600,000

Strategic Connections

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 and We Are Prosperous.

Attachments

Exhibit 1 - Location Map
 Exhibit 2 - Walter Duke & Partners Appraisal
 Exhibit 3 - Callaway & Price, Inc. Appraisal
 Exhibit 4 - August 11, 2020 NPF-CRA Advisory Board Approved Meeting Minutes
 Exhibit 5 - Purchase and Sale Agreement
 Exhibit 6 - Proposed Resolution

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