



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#21-0723

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: August 17, 2021

TITLE: Resolution Approving a \$640,000 Development Incentive Program Loan as a Local Government Area of Opportunity Funding to Green Mills Holdings, LLC and The Pantry of Broward, Inc. for “The Pantry Lofts”, Contingent Upon the Award of 9% Tax Credits from the Florida Housing Finance Corporation, Authorizing the Executive Director to Execute Any and All Instruments Related to the Loan and Delegating Authority to the Executive Director to Take Certain Actions - **(Commission District 2)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Resolution, ratifying a \$640,000 Development Incentive Program Loan as a Local Government Area of Opportunity Funding to Green Mills Holdings, LLC and The Pantry of Broward, Inc. for “The Pantry Lofts”, contingent upon the award of 9% tax credits from the Florida Housing Finance Corporation, authorizing the Executive Director to execute any and all instruments related to the loan and delegating authority to the Executive Director to take certain actions, subject to review by CRA General Counsel.

Background

Green Mills Holdings, LLC and The Pantry of Broward, Inc. have forged a partnership (“The Pantry Lofts, Ltd.”) (“Developer”) to co-develop and co-own “The Pantry Lofts”, a proposed mixed-use, affordable/workforce housing community serving Fort Lauderdale and Broward County residents. The partner companies are requesting a \$640,000 investment from the CRA in the form of Local Governmental Area of Opportunity (LGAO) funding to support the development of a new est. 8-story, 90-unit residential tower. The proposed project will offer affordable senior housing and new facilities for The Pantry of Broward, along with structured parking and building amenities in the Progresso Village area of the Northwest portion of the CRA, at the corner of Sistrunk Boulevard and NW 3rd Avenue. A Location Map is provided as Exhibit 1. It is projected that approximately 30% of the units will be affordable for High Low Income/Workforce Income residents (up to 80% of the Area Median Income [AMI]), that approximately 55% of the units will be affordable to Low Income residents (up to 60% of AMI) and that

approximately 15% of the units will be affordable to Extremely Low Income (up to 30% of AMI) residents. The project will remain affordable for a period of 50 years.

The development plan for this project and its features are attached as Exhibit 2. The unit mix will consist of one bedroom/one bath and two bedroom/two bath units, with structured parking. In addition to the new residential apartments, Green Mills and The Pantry propose to develop retail and promenade space fronting Sistrunk Boulevard to help activate and encourage the continued improvements along the Sistrunk corridor, as well as new warehouse and office facilities for The Pantry to help further its mission. Between the management and maintenance staff of the residential building and The Pantry's expansion, six new jobs will also be created for area residents. The Developers' CRA Funding application is attached as Exhibit 3. The project is consistent with the CRA Plan.

Every Green Mills Group community receives green energy efficiency certifications and features full amenities. The Pantry Lofts will feature such amenities as retail and open promenade, new warehouse and office space for The Pantry of Broward, a community room, fitness center, game room, computer lab/business center, and on-site offices for Pantry Lofts residents, well-appointed residences, SEER rated appliances, solar array on roof, secured key fob access, structured parking and professional on-site third-party property management.

The development group is made up of co-partners Green Mills Holdings, LLC and The Pantry of Broward, Inc. ("The Pantry"), a non-profit organization providing food for Broward County seniors.

Green Mills Group, LLC

Green Mills Group, LLC and Green Mills Holdings, LLC (and affiliated entities, referred to as "Green Mills") is a real estate development firm based in Fort Lauderdale, Florida. The company's expertise is sustainable, multi-family development with an emphasis on affordable, workforce, and permanent supportive housing. Green Mills' team has managed the development and financing of 70+ residential communities representing more than 7,000 apartments and \$1 billion in total development costs. To achieve broad, community-driven outcomes, the firm often partners with local governments, for-profit companies, and not-for-profit organizations.

The Pantry of Broward, Inc.

The Pantry's mission is to serve as a "one-stop shop" for low-income seniors throughout Broward County in need of more stable food sources. Each month, The Pantry provides its estimated 600 regular clients with a 55-pound box of nutritional food, including fresh fruit, vegetables, and breads. A significant portion of The Pantry's clients are grandparents raising their grandchildren on fixed incomes. Their food programs are also supplemented to include sourcing of affordable housing opportunities for seniors in Broward County.

The Pantry owns the larger of the two parcels that make up this project and will contribute it via a long-term ground lease to the new partnership, in exchange for the construction of its new facilities within the development. The adjacent lot, fronting Sistrunk Boulevard, is currently owned by the City of Fort Lauderdale. In 2020, The Pantry and Green Mills responded to an RFP issued by the City of Fort Lauderdale (via Colliers) and was awarded control of the City lot. Per the terms of the Purchase and Sale Agreement between the development team and the City, the City has agreed to waive the City-imposed liens prior to closing.

Green Mills and The Pantry have presented their proposed project before the Progreso Village Civic Association and have obtained their approval and support. Other area businesses have also expressed their support, especially of the planned retail and promenade space on the corner of Sistrunk Boulevard and 3rd Avenue.

The Developer will be submitting an application for an award of 9% tax credits to the Florida Housing Finance Corporation (FHFC) at the end of August 2021. The support of the CRA is structured as Local Government Contribution and will help achieve Florida Housing's Local Government Area of Opportunity (LGAO) Funding goal.

The Developer has submitted project information indicating that the estimated total project cost is \$32,111,438. The project's estimated permanent financial structure, which may be updated prior to closing from time-to-time, as customary, will be funded by the following sources:

- JP Morgan Chase Construction Loan \$21,000,000 – Libor + 250 bps (3% as of July 2021) and a Permanent Loan of \$4,500,000 – Exhibit 4;
- Raymond James Tax Credits \$25,935,406 – \$0.90 paid per credit; 25% paid at closing of construction financing; 55% paid at 98% of project completion, with the balance (\$5,187,081) paid at project stabilization and receipt of 8609's – Exhibit 5;
- CRA funding: \$640,000 (LGAO) – Repayment of loan subject to CRA negotiations; and
- Developer's Equity: \$1,036,032 of deferred developer fees.

The receipt of an LGAO investment from the CRA will increase the project's probability of getting funded. Evidence of the CRA financing commitment is required prior to the submission of the applicant's application to the FHFC for 9% tax credits. The Developers anticipate that the application for credits will be submitted in August 2021, with final awards potentially being announced in the First Quarter of 2022. The Project Summary and Pro-Forma are attached as Exhibit 6. A project schedule is attached as Exhibit 7. Construction commencement of the project is projected to begin in July 2023, and Completion of the project to occur in November 2024. To the extent the development team can or must achieve milestones more quickly than projected, it will do so.

In comparison to other recent affordable housing projects funded by the CRA (see chart below), the CRA funding for this project equates to approximately \$7,111 per unit, based on the proposed approximately 90 affordable housing units. By comparison, the CRA's contribution to the Six-Thirteen workforce housing project was \$7 million, which equals to \$49,295 per unit for 142 units; for the Sweeting Estates affordable townhomes it was \$1.5 million, which equates to \$60,000 per unit for 25 units; and for the Mount Hermon affordable housing units, the contribution was \$640,000, which equates to \$5,818 per unit for 110 units.

CRA Affordable Housing Projects Funding Comparison			
Project	CRA Funding	# of Units	CRA Funding/Unit
Sweeting Townhomes	\$1.5 million	25	\$60,000
Project 613	\$7 million	142	\$49,295
Mount Hermon	\$640,000	110	\$5,818
The Pantry Lofts	\$640,000	90	\$7,111

South Florida still faces an affordable housing crisis and there is an acute shortage of affordable housing in the City of Fort Lauderdale. More than 60% of adults in South Florida are cost burdened, spending over 30% of their incomes for housing. This situation has been further exasperated by the dramatic increase in the unemployment rate since the onset of the COVID19 pandemic. With a limited number of affordable apartments in the city, there is a sizable gap between the need for affordable rentals and what is available.

Resource Impact

No funding will be provided in this Fiscal Year. Funds for this project totaling \$640,000 will be spread over two years. \$320,000 will be appropriated in Fiscal Year 2023 and the balance will of \$320,000 be appropriated in Fiscal Year 2024 contingent upon approval of the annual budget.

Strategic Connections

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

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

Related CAM

#21-0785

Attachments

Exhibit 1 - Location Map

Exhibit 2 - Plans and Features

08/17/2021

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Exhibit 3 - CRA Funding Application and Project Overview
Exhibit 4 - JP Morgan Chase Commitment Letter
Exhibit 5 - Raymond James Commitment Letter
Exhibit 6 - Project Summary and Pro-forma
Exhibit 7 - Project Schedule
Exhibit 8 - July 13, 2021 NPF CRA Advisory Board Draft Minutes
Exhibit 9 - Resolution

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