




MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM:  Scott Evans
Interim Executive Director, CRA

COPY: J. Michael Haygood, CRA Attorney

DATE: October 2, 2018

SUBJECT: Berkeley Landing, a Senior Rental Mixed Income Community to be located at 3100 and 3124 Broadway, Riviera Beach, FL.

REQUEST FOR BOARD ACTION

The Agency is requesting the Board of Commissioners to approve a resolution authorizing a Local Government Area of Opportunity Funding Contribution and Loan in the amount of \$567,500. The loan is a demonstration of a local government commitment to the project and will maximize the applicant's score for an allocation of Low Income Housing Tax Credits (LIHTCs).

The loan will be conditional upon the award of tax credits to the Wendover Group for the development of 120 units of housing affordable to residents with incomes not in excess of 80% of area median income and not disbursed until closing of the entire transaction. Exhibit "A" provides a draft Letter of Interest to be executed, which will serve as the basis for the loan agreement. Exhibit "B" is the loan commitment form to be provided to the developer for submission in its application package. We are asking the Board's approval to authorize the Executive Director to execute the Loan LOI Agreement shown in Exhibit "A" and the loan commitment form in Exhibit "B".

BACKGROUND

Berkeley Landing

Berkeley Landing is a proposed new development adjacent to the Park Manor neighborhood of Riviera Beach. The proposed development will add approximately \$26 million in development value on a property currently assessed at \$875,918 million. The project will generate an estimate of \$370,000 in tax increment value. The Agency will recoup its loan value in nineteen months.

In addition to increasing the tax base, the project will dismantle an abandoned trailer park site and replace with 120 units of affordable housing for Seniors. The community will benefit from an increase of mixed income housing units, in a high- quality new development.

The Wendover Group has contracted for the purchase and sale of 3100 and 3124 Broadway, to be known as “Berkeley Landing.” A rental analysis shows significant demands for quality attainable housing. The data suggests that this new rental housing product should exceed a 93% or greater occupancy rate.

PROJECT OVERVIEW/SITE INFORMATION

Berkeley Landing is situated on 3.96 acres located at 3100 and 3124 Broadway within the City of Riviera Beach, when developed, will create 120 units of new housing. The new, all concrete construction, garden style community will have a front entrance “feature,” enhancing the projects appearance from Broadway. The buildings will be three stories with an elevator.

CURRENT SITE STATUS

Berkeley Landing

The Developers are acquiring this abandoned trailer park site from its current owners, East Coast Property Investment Group LLC. The property reports total taxable value of \$875,918 and 2017 property taxes of \$18,944. Once the project is developed, property taxes are projected to exceed \$80,000.



Aerial View, 3100 and 3124 Broadway



Street View, 3100 and 3124 Broadway



ABOUT THE DEVELOPERS

This new rental community will be developed by Wendover Group. Wendover is a leader in innovative residential and mixed-use developments. They build, finance, and service affordable housing communities for families and active seniors. As one of the Southeast's premier affordable and workforce housing companies, their expansive portfolio of affordable and mixed-income

developments demonstrates their continuing ability to create housing opportunities in a variety of economically and socially diverse neighborhoods.

Wendover's partnerships are diverse, working with both public and private enterprises to develop high quality affordable housing inventory. It has procured funding through state and local housing finance authorities, as well as international financial institutions and pension advisory firms. Wendover is particularly adept at working with the State and Federal government to secure financing and construct new, sustainable, and affordable multifamily communities. They are based in Altamonte Springs, Florida.

Jonathan Wolf, President, Wendover Housing Partners: Over the past three decades, Jonathan has developed an extensive portfolio of real estate assets made up of over 7,000 multi-family, affordable, single family and mixed-use properties. In addition, his experience in navigating changing business cycles, reviewing and evaluating real estate investments, turning around projects, and repositioning, remarketing and redesigning residential properties to maximize sales and leasing efforts has become a critical component of his consultancy to financial institutions and other real estate entities.

Jonathan is responsible for the strategic direction of the company, overall management of Wendover, pursuit of new development opportunities and acquisition and financing activities across all business platforms. Jonathan is widely respected as one of the premier tax credit affordable housing developers in Florida and throughout the Southeast. He serves on a variety of charity, education, and civic boards.

COMMUNITY PARTNERSHIP

Riviera Beach Community Development Corporation, (RBCDC) is a tax exempt, 501 (c)(3) Florida corporation, based in Riviera Beach with a target area of the entire city. Wendover has approached RBCDC about partnering on this significant project to ensure that there are maximum community benefits and opportunities for quality housing, job creation and capacity building. Florida Housing Finance Corporation (FHFC) is desirous of public private partnerships that enhance local participation and help nonprofits like RBCDC develop capacity to develop and sustain affordable, attainable and workforce housing. The goals are to position RBCDC to be able to develop other housing projects on their own; to create wealth building assets that can provide funding for future community programs and projects; to have a local partner to make sure that there is community input and benefits from such a major real estate transaction; to increase the opportunity to retain dollars in the local community; and to create a connection and liaison with other community partners to support the seniors and veterans who occupy the new communities.

Florida's LIHTC program is among the most competitive in the country and the most sophisticated. Developers are interested in maximizing the likelihood for success as the pursuit of such funding is costly. Wendover has committed to a 50-year restrictive period. Having a nonprofit partner on board ensures that there is a community partner in place with the community's best interests at the forefront, even when a developer may no longer be involved in a project.

PROJECT CONSTRUCTION

Berkeley Landing: The project will consist of 120 units.

Target Tenant Population:

Senior non-ALF: -Workforce -Special Needs Emphasis on Military Veterans
Developer guarantees to set aside 2 units for homeless individuals

Development Type:

New, all concrete construction- Garden Apartments- 3 story with Elevator

Total Number of Housing Units by Type/Size/Income Set Aside:

- 1Bedroom/1 Bathroom- 692 Square Feet-
Market Rate/Workforce (80%AMI)- 8 Units 60% AMI- 46 Units 28% AMI- 6 Units
- 2Bedroom/2 Bathroom- 915 Square Feet-
Market Rate/Workforce (80%AMI)- 8 Units 60% AMI- 46 Units 28% AMI- 6 Units

Site Amenities:

- Enhanced landscaping and streetscaping
- Swimming Pool
- Fitness Room
- Theater Room
- Library
- Community Room- Also available for local community and civic group uses

Berkeley Landing will provide the following General Features, Accessibility and Universal Design Visit Ability Features in all units:

- Energy Star appliances throughout- Full size range, oven, washer and dryer in all units
- Cable hook-up in all units, with the price not to exceed the market rate for service of similar quality available to the residents from a primary provider of cable or satellite TV
- Fully ADA compliant and accessible property with specially designed accessible units
- Pest Control

Description of Resident Programs and Services:

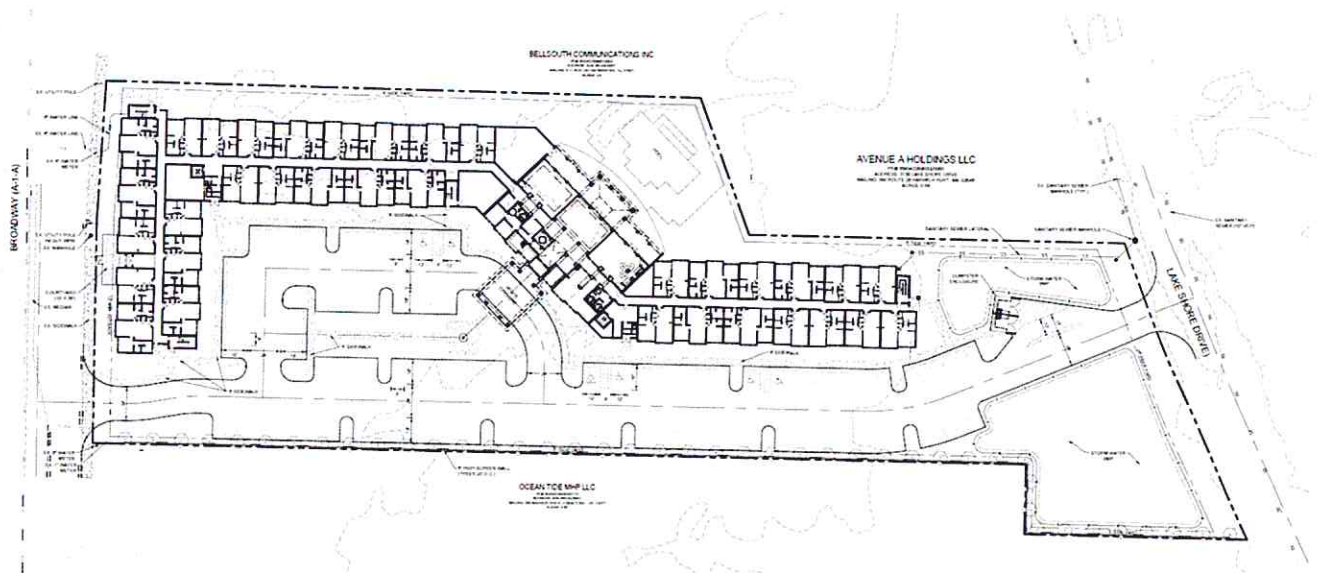
(All Services Free to Residents)-

- Daily Activities and Social Functions
- Resident Assurance Check-in Program
- Moving Service
- Grocery Service
- Apartment Cleaning Service
- Garbage Removal
- Non-medical Companion Service
- Staff/Volunteers running errands
- Medication Reminders
- Laundry Service
- Meals on Wheels
- Food Bank

- Computer Classes
- Exercise/Yoga/Water classes
- Medical Clinics
- Daily Resident Social Functions

All services are provided free of cost to residents. Wendover Management will co-ordinate programs based on the specialized needs of individual residents.

The new community will be designed as a three story, CBS garden style community that will be enhanced to deliver the highest quality of life for its residents with strong consideration given to safety and quality living at affordable pricing.



Site Plan

Examples of a Recently Completed Wendover Property



Haley Park



Interior Views of Gathering Space and Amenities



MARKET AND DEMOGRAPHIC INFORMATION

This attainable community will be marketed to seniors and veterans with incomes ranging from 28% to 80% of Area Median Income, which is \$74,300. Rents will range from \$360 for a 1/1 to \$766 for a 2/2. The apartment homes will have a community room, cable, washer and dryer, fitness room, theater room, outdoor recreation space, including a swimming pool, library and enhanced landscaping and streetscaping.

Upon nearing completion of our senior community, the management staff will reach out to the local HUD/VASH (the Veteran's Administrations Homeless Veteran Program) Supervisor to begin identifying local Elderly Veterans who qualify to become residents. All approved HUD/VASH referrals to the property will be directed to the community through one of the Housing Specialists from the HUD/VASH office. Wendover Management has and continues to work successfully with HUD/VASH offices throughout the State of Florida. They have provided a letter of support from the Department of Veterans Affairs attesting to Wendover's experience and unmatched capability in providing quality affordable housing for Elderly Veterans.

Wendover Management staff and the support staff for HUD/VASH, which includes case managers, clinicians and housing specialists, work closely with a variety of Veteran support agencies. This includes assisting with security deposits, prorates, electric/utilities deposits and payments, furnishings and accessories as well as supplemental rents.

ECONOMIC IMPACTS AND COMMUNITY BENEFITS

- Jobs for City and Surrounding Community Residents: Projected to create 300 jobs supported during construction and 40 full time jobs post construction.
- New Opportunities for Local Businesses: Residents of the property will frequent local retail establishments, improving the establishments' sales, which will create additional local retail tax revenues. Additionally, they will offer local businesses new goods and services opportunities associated with the project.
- Synergies with Adjacent Properties on Broadway: Berkeley Landing should stimulate/assist with additional new real estate development along the Broadway Corridor and will also encourage adjacent owners to either redevelop or upgrade/improve their properties. Ultimately, the impact of Westbury Village and Wingate should increase the value of the properties along Broadway and make the area attractive to developers.
- New Property Tax Revenues: The total project costs for Westbury Village's construction is approximately \$26 million. The properties will generate \$61,000 of new annual property tax revenue.
- Programs Offered to the Berkeley Landing:
 - Rent to Ownership Initiative and sponsorship in the Riviera Beach CDC Homebuyers' Club

BUSINESS TERMS

USES OF FUNDS:

See Exhibit "A", attached, Proposed Letter of Interest.

USE OF FUNDS: WHY ARE OUR DOLLARS NEEDED?

Our funds will be used as the Local Contribution, an amount required for these types of projects. This is a requirement and necessary to demonstrate local participation and support.

CONDITIONS ON FUNDS: HOW WILL OUR INVESTMENT BE PROTECTED?

While our commitment for the loan for of \$567,500, representing the local contribution, is due upon approval by this Board, actual dollars are not needed until the award of tax credits. Cash will remain with the CRA until the following:

1. The project has secured the credits and
2. At closing of the entire transaction.

Our contribution will be documented by a conditional grant letter of agreement, a copy of which is attached as Exhibit "A."

WHAT ROLE WILL RBCDC PLAY?

RBCDC will have the following responsibilities:

1. Serve as community liaison for information and education.
2. Assist with producing a jobs fair.
3. Assist with a sub-contractor fair.
4. Assist with a Rent to Ownership Program, connecting residents to the RBCDC

Homebuyers Club.

5. Assist with disseminating information in the community regarding leasing opportunities

TIMELINE:

For the Developers: Housing Tax Credit Application due to Florida Housing Finance Corporation no later than October 30, 2018. Commitment and concurrency documents due no later than October 16, 2018 to Wendover.

For the CRA: Board approval no later than October 10, 2018, with all documents executed and transmitted to Wendover, no later than October 15, 2018.

For the RBCDC: Board approval no later than October 4, 2018, with all documents executed and transmitted to Wendover, no later than October 15, 2018.

LOCAL CONCURRENCY PROCESS:

Wendover has to receive the following certifications from local utilities providers, the City of Riviera Beach, and from the CRA. These documents are necessary components of the LIHTC application.

1. Consistency with CRA Plan
2. Verification of Local Government Contribution
3. Verification of Availability of Infrastructure – Water
4. Verification of Status of Site Plan Approval for Multifamily Developments
5. Verification that Development is Consistent with Zoning and Land Use Regulations
6. Verification of Availability of Infrastructure – Electricity
7. Verification of Availability of Infrastructure – Roads
8. Verification of Availability of Infrastructure – Sewer Capacity, Package Treatment, or Septic Tank

CONSISTENCY WITH ADOPTED CRA PLAN

The Projects are consistent with the goals and objectives of the adopted CRA Plan. The CRA Plan has identified the need to bring new residential housing to the City. The proposed development is located within the Blue Heron North area and provides that as the area redevelops a wide mix of housing should be included. Redevelopment of the Broadway corridor is a high priority for the Agency. The development proposal for future affordable multifamily residential will create new housing opportunities within close proximity of employment, shopping areas and public transportation. The properties are designated Downtown Mixed Use and Multi-family Residential in the Riviera Beach Comprehensive Plan and has a Downtown Residential Zoning classification. The proposed residential development is consistent with the adopted zoning and land use.

ABOUT LOW INCOME HOUSING TAX CREDITS (LIHTCs)

Low Income Housing Tax Credits are the nation’s and the state’s best tool for the delivery and financing of rental housing for working families. Since 1986, LIHTCs have provided critical financing for more than 2 million rental homes. (Note that LIHTC properties have an average

vacancy rate of 4.2 percent, compared to 10.6 percent in the overall rental market. Foreclosures have occurred in less than 1% of all LIHTC properties since 1986, better than all other classes of real estate.)

RECOMMENDATION

The Agency is requesting the Board of Commissioners to approve staff's request to provide a loan to Berkeley Landing and to Wendover to construct a new residential community at 3100 and 3124 Broadway:

1. The loan award is contingent upon the receipt of Low-Income Housing Tax Credits and finalizing all loan documents.
2. The successful development will repay the loan over 20 years after stabilization.
3. The community partnership with Riviera Beach CDC will increase the organization's capacity and further its reputation as a viable community developer.
4. The development will provide 120 units of new affordable senior housing.
5. The Project is consistent with the goals and objectives of the adopted CRA Plan.

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