




“The Best Waterfront City in Which to Live, Work And Play.”

CITY OF RIVIERA BEACH

TO: MAYOR, CHAIRPERSON, AND CRA COMMISSIONERS

FROM: JONATHAN E. EVANS, CITY MANAGER/INTERIM CRA EXECUTIVE DIRECTOR, MPA, MBA, ICMA-CM 

SUBJECT: **FLORIDA HOUSING FINANCE CORPORATION (FHFC) – LOCAL SUPPORT – CRA UPDATE (IMPORTANT)**

DATE: **SEPTEMBER 25, 2020**

CC: CRA STAFF, LEGAL, CITY ADMIN, HTG, AND PINNACLE

This memorandum is a request by CRA staff to seek direction and support regarding two projects seeking local contributions/loans in the approximate amount of \$650,000. This funding is associated with the support of a local agency for an application for low-income tax credits with the Florida Housing Finance Corporation (FHFC). The City of Riviera Beach (City) and the Community Redevelopment Agency (CRA) have been approached by two entities looking to develop within the Broadway Corridor. These particular development projects have some similarities and differences, but both seek support to pursue funding through the state’s FHFC program. FHFC allows for tax credits to facilitate low-to-moderate and some market-rate-income housing developments within communities with a defined or established need. This process is extremely complicated, very competitive, and takes precision execution to ensure success. Throughout the process, city staff would like to allow the CRA Board and the City Council to provide clear direction as to which project they wish to support. If both projects move forward, it will undoubtedly lead to both being disqualified from consideration, so policymakers must determine which project brings the best economic development/redevelopment opportunity to the CRA.

City and CRA staff met to discuss the nuances of moving the projects forward, and we are at a point where the CRA Board needs to make an informed public policy decision on how to proceed. To facilitate the necessary commitment, staff will take on a couple of tasks to provide a complete analysis. First, for whichever project is selected, staff will calculate the projected economic impact associated with the project and its proposed size, scope, and development criteria. There will also be a preliminary analysis to roughly calculate the anticipated ad valorem revenue projected to be collected vis-à-vis the CRA as a result of the development project; this will include permitting and building fees, impact fees, and other revenues generated as a result of the proposed development.

Additionally, staff has compiled a series of approximately 18 questions to be submitted in writing and addressed as part of the presentations that will come before the CRA Board and City Council for consideration, as an accompanying resolution must be executed by both the CRA and the City. This step will lead to two special meetings on the same day to effectuate the board's legislative directive once the two presentations are concluded.

Furthermore, the fiscal impact associated with these projects would not be experienced until FY 2022–2023. The state will have an intimate role in reviewing and underwriting key elements associated with this project. City staff believes that both projects that will come before both the CRA and City Council for consideration have merit, and that the questions proffered by the collaborative team should be addressed both in writing and as part of the verbal presentation. Additionally, City/CRA staff will investigate the proposed fiscal impact. Staff recommends that the meeting be held in person on **Thursday, October 8, 2020**, to allow for both entities to present compelling arguments as to why their projects should be considered for local support. Below, you will find the questions that will be proffered by the internal development team. The order in which the teams will present is as follows: HTG will proceed first, followed by Pinnacle. After the presentations have concluded, both entities will be given three minutes for closing remarks in the same order.

Questions:

1. Please provide the projected development cost, sources, and uses associated with your particular project, including the unit mix, square footage per unit, and proposed rental rates. Include any mixed-use elements. Additionally, please provide the projected construction elevation.
2. Detail the number, type, and wage levels of construction jobs, jobs during stabilization, and permanent jobs.
3. Please explain your corporate development philosophy and how you will ensure continuity and consistency with the City's comprehensive plan and the CRA Plan for the Broadway Corridor. Do you currently have site control? If so, please provide the specifics of the site.
4. Local participation and inclusion are a major priority of this agency to facilitate the creation of economic opportunities, wealth, and jobs. Please describe how your company will ensure participation by a women-owned business enterprise (WBE); minority-owned business enterprise (MBE); a small, minority, and women-owned business enterprise (SMWBE); and/or a small business enterprise (SBE). Detail the percentages and provide documentation.
5. If you are selected to receive a local contribution/loan in the amount of approximately \$650,000 from the Community Redevelopment Agency (CRA) in support of an application for housing tax credits from the Florida Housing Finance Corporation (FHFC), will you stipulate and affirm that you will not seek additional funding from either the City or CRA to fund your development project?

6. Homeownership is a major priority for this agency. What would you do to facilitate bridge opportunities and assistance for homeownership within your project and the community? Does your project afford the opportunity for both rental and ownership?
7. How will your project beautify and improve the surrounding areas? What elements will your project contain to ensure that the features in the architectural design and living units are superior to those of similar projects? Provide details on project amenities. Does the project incorporate a public art component? Additionally, how will you guarantee a “value-added” component to ensure that your development complements future developments within the CRA district?
8. Do you have any plans for further investments within the City of Riviera Beach? What other development projects, similar in size and scope, have you undertaken that you would deem a success? Also, through what projects have you been able to learn valuable lessons to improve your development projects moving forward?
9. Do you plan to retain ownership of this project for its entirety and manage it in perpetuity? If not, what are your plans for the project after the compliance period?
10. What is the collective experience of the development team, and how many projects has this team facilitated in/outside the State of Florida and exclusively in Palm Beach County?
11. If your project is not selected, can you move the project forward utilizing conventional or layered financing structures? What would be the timing of these efforts?
12. Have alternative sites been considered within Riviera Beach away from the Broadway Corridor or within other communities in Palm Beach County?
13. Has consideration been given to adding near-market/market-rate units in addition to the unit mix described?
14. How might the location of your proposed project spur revitalization and other development in this area?
15. What amenities will be included in your project? Of the amenities to be provided, what services will be available only to your residents? What amenities will be available to the larger community?
16. If you are awarded the tax credits, when will the development occur? What is your anticipated timeline to complete the project? What is the likelihood of the project being completed in a timely manner?
17. What benefits will your project add to the Riviera Beach community?

18. Explain your leveraging: The developer's contribution vs. percentage of funding and city's contribution vs. total development cost.

In conclusion, staff will commence crafting a resolution to accompany the presentations that will allow for the appropriate entity to be inserted in the resolution for both the CRA and the City to execute. It is imperative that the resolution be executed that evening, as the applications must be submitted soon after the resolution. Presentations will be one hour in duration, with an opportunity for questioning by the Board at the conclusion of both presentations. We ask that the questioning be consistent for both parties and that all questioning be reserved for the question-and-answer session prior to participants' closing arguments. Furthermore, the consistency of questioning allows for a fair and equitable chance to respond by both parties; if there is any deviation in the process, the projects can be challenged and thrown out, as the process is so competitive.

Important Requirements: Please note that all responses are due by **Friday, October 2, 2020**, at noontime. This includes the answers to the questions listed above and all supplemental material that will be shared via your verbal presentations. The information is to be emailed to Ms. Sherley Desir at SDesir@rbkra.com, and all questions concerning the project or process are to be communicated to Scott Evans at sevans@rbkra.com or Ms. Annetta Jenkins at ajenkins@rbkra.com.

Tentative meeting date will be **Thursday, October 8, 2020, at 7:00 PM EST at the Riviera Beach Marina Event Center**. Presentations will be an hour per party, and 3 minutes for closing statements after the CRA Board of Commissioners' questioning has concluded.