




## MEMORANDUM

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

**FROM:** Jonathan Evans   
Interim Executive Director, CRA

**COPY:** J. Michael Haygood, CRA Attorney

**DATE:** October 2, 2020

**SUBJECT:** Berkeley Landing, a Family Rental Mixed Income Community to be located at 3100 and 3124 Broadway, Riviera Beach, FL, and Island View Apartments at 2525 Broadway Blvd., a Family Rental Mixed Income Community

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### REQUEST FOR BOARD ACTION

The Agency Staff is requesting the Board of Commissioners to approve a resolution authorizing a Local Government Area of Opportunity Funding Contribution and Loan/Grant in the amount of \$640,000. The loan/grant 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) with Florida Housing Finance Corporation ("FHFC"). This support is to be considered at special meetings of the Agency and of the City of Riviera Beach on Thursday, October 8, 2020, at 6 p.m. Pursuant to a process delineated by Mr. Jonathan Evans, City Manager/Interim Executive Director, CRA, (See Process Memorandum from Mr. Evans, dated September 25, 2020, attached hereto as Exhibit A) the two development teams submitted detailed proposal packages on October 2, 2020. Those proposals are attached as Exhibit B-1 and Exhibit B-2. This funding commitment will be structured through the City in compliance with FHFC regulations.

The subsidy will be conditional upon the award of tax credits to the [Wendover/Pinnacle Group or HTG Group] for the development of the proposed number of units of housing affordable to residents with incomes not more than 80% of area median income and not disbursed until closing of the entire transaction. Exhibit "C-1 and C-2" are the loan/grant commitment forms to be provided to the developer by the City for submission in its application package. Staff is asking the Board's approval to authorize the Executive Director to execute an Interlocal Agreement with the City so that the City can provide the Loan/Grant Agreement shown in Exhibit "C-1" or "C-2." Subsequent to action by the Agency, the City will take action to effectuate the City of Riviera Beach's intent to support the project selected for Local Government Area of Opportunity Funding Contribution and a Loan/Grant in the amount of \$640,000.

## **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 \$30.5 million in development value on a property currently assessed at \$970,030. The project will generate an estimate of \$257,786 of *ad valorem* tax revenue.

### Island View Apartments

Island View Apartments is a proposed new development located at 2525 Broadway near the Park Manor neighborhood. This development will add \$30.5 million in development value on a property currently assessed at \$881,145. The project will generate an estimate of \$257,786 in *ad valorem* tax revenues.

FHFC'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.

### **TIMELINE:**

For the Developers: Housing Tax Credit Application due to FHFC no later than October 20, 2020. Commitment and concurrency documents due no later than October 13, 2020 to the developer selected.

For the CRA/City: Board/Commission approval no later than October 8, 2020, with all documents executed and transmitted, no later than October 12, 2020.

### **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 proposals for future affordable multifamily residential will create new housing opportunities within close proximity to 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 3.23 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 Staff is requesting the Board of Commissioners to approve Staff's request to provide a grant/loan to Berkeley Landing/Island View Apartments and to Wendover/Pinnacle or HTG to construct a new residential community on Broadway as outlined in the attached proposals:

1. The grant/loan award is contingent upon the receipt of Low Income Housing Tax Credits.
2. The Project is consistent with the goals and objectives of the adopted CRA Plan.