



MEMORANDUM

TO: HONORABLE CHAIR AND CRA BOARD OF COMMISSIONERS

FROM: JONATHAN EVANS, MPA, MBA, ICMA-CM, CRA EXECUTIVE DIRECTOR

COPY: MICHAEL HAYGOOD, CRA ATTORNEY

DATE: APRIL 14, 2021

SUBJECT: 11TH STREET TOWNHOUSE PROJECT

BACKGROUND

Staff is providing this project summary and draft development agreement for the 11th Street Townhouse Project for discussion. We will come back at our meeting in June for approval of the Development Plan, attached as Attachment 2. At the February 2021 Board meeting, project support of \$925,000 was approved, pursuant to Resolution No. 2021-03, attached as Attachment 1.

PROJECT SUMMARY:

Owners: Riviera Beach CRA and Riviera Beach Community Development Corporation (RBCDC)

Developers: Entity to be formed by RBCDC

Riviera Beach CRA

Project Manager: RBCDC

Roles: RBCDC: Project Lead, day-to-day management, reporting, invoice processing and reimbursements, site inspections overview, sales, marketing, purchaser processing and packaging, development financing.

RBCRA: Invoice review, report review, marketing, site inspections overview, development financing.

Property Description: 130 W. 11th Street PCN # 56434233060170170
120 W. 11th Street PCN# 56434233060170142

1101 Avenue "E" PCN# 56434233060170141

Project Description: This is an opportunity to construct the 11th Street Townhouse project, a development partnership between the Agency and Riviera Beach CDC. This assemblage would support 12 townhouses, for sale units with 3 bedrooms, 2 ½ baths, 2 and 3 stories, 1-2 car garages, \$275,000 target prices, approximately 1,584-1,814 SF. The Agency and CDC have site control.

Budget: \$3,800,000

Development Team: Annetta Jenkins, Project Lead
Scott Evans, Planning
Andre' Lewis, Project Liaison
Minoka Nugent, Project Accounting/Packaging
Rick Gonzales, AIA, REG, Principal Architect
Christine Merrell, RA, REG Architects/ Project Manager
Vlad Dumitrescu, REG Architects, Architect
Alec Dickerson, Senior Planner/ Gentile Glas Holloway O'Mahoney, Landscape Architects
Todd McLeod, P.E., McLeod – McCarthy & Associates, Engineers
Gino Furland, Surveyor, PM Surveying
Craig H. Butterfield, Appraiser, Craig H. Butterfield Appraisals
Florida Community Loan Fund, Construction Financing
J. Michael Haygood, Attorney - CRA
Edwin Ferguson, Attorney - CDC

Development Agreement Summary:

Parties to Agreement: Riviera Beach CRA and Riviera Beach CDC
Effective Date: Date of execution by last party
Commencement Date: Upon receipt of permits
Closing Date: The date on which the construction loan is closed
Completion Date: 18 months from date of commencement
Conceptual Site Plan: Attachment 2-A
Housing Mix: Workforce – 8 Homes; Market – 4 Homes
Security: Mortgage, Note, Restrictive Covenant during construction period; at completion, the restrictive covenant remains
Terms: Construction Period, then no more than 25 years for end buyer
Rate of Loan: 0%
Inspections: Upon request for payment and at least weekly
Reporting: At 60 days of final sale and then annually by October 1 of each year
Job Creation: 3 FTE
Marketing: Affirmative Marketing per HUD guidelines

Energy Efficiency: Star rated or higher, low VOC paint, sustainable flooring, impact windows and doors, tankless water heaters, LED lighting, xeriscape horticulture

Indemnification: By developer

Bonding: Performance Bond

Insurance: General limits

Sales Criteria: Eligible Applicants - Applicants are required to submit a completed application. The application must be submitted with required documents as specified on the application. Applicant eligibility is based upon property eligibility. Income eligibility is program specific. (See Exhibit “A”)

The homeowner applicants are required to occupy the property as their primary residence.

Applicant Selection - Applicants are selected and approved on a first-come, first-qualified, first-served basis. Applications are time stamped and determinations of application submittal will be based on the time stamp.

Home Owner Asso.: To be formed.

Frequently Asked Questions:

What types of restrictions do other jurisdictions have for affordable/workforce housing?

JURISDICTION	PROGRAM	RESTRICTION/AFFORDABILITY PERIOD
Palm Beach County	Workforce Housing Program	15 years – homeownership 30-years – rental
Palm Beach County	First Mortgage Loan Program Purchase Assistance Housing Rehabilitation Emergency Repairs Replacement Housing Developer Assistance Single Family New Construction HOME Investment Partnership	30 years
City of Delray Beach	First Time Homeowner	15 years – less than \$35,000 in subsidy 30 years – \$35,000 or more
City of Boynton Beach	Closing Cost and Down Payment Assistance	15 years
Ft. Lauderdale	Purchase Assistance Program	15 years – Deferred Loan

Broward County Housing Finance	Home Buyer Purchase Assistance Program	15 years, deferred up to \$40,000
City of Gainesville	Purchase, Rehab	30 years, due on sale, forgivable loan
Miami-Dade County	Surtax Program	20 years, 0.5% interest, due on sale

Will the property require a unity of title and/or re-plat?
Yes, it will.

When will any transfer or disbursement take place?
At the time of closing on the construction loan.

What are benefits to the community?
3 FTE construction/permanent jobs
12 workforce/market rate homes with long-term affordability
Elimination of slum and blight
Catalytic project in a transitional neighborhood

RECOMMENDATION

Staff recommends that the Board direct the General Counsel and the Executive Director to bring back the final Development Agreement with attachments for approval at the next Board meeting.

**Exhibit “A”
Special Initiatives Program**

Program Funding: \$925,000

Description: The Riviera Beach CRA will acquire vacant, derelict, and/or donated properties to be developed in partnership with joint venture partners---Riviera Beach CDC—and others, pursuant to a negotiated development agreement that meets the goals of the CRA. Additionally, Riviera Beach CRA may contribute project and subsidy funds to be used for development and purchase subsidy. All attempts will be made to leverage these funds. Properties and vacant land must be located within the Community Redevelopment Area. If a buyer is not a first-time homebuyer, the buyer must live in the house as their primary residence.

Impact: 10-15 households will be assisted.

Maximum Funding	Up to \$100,000 average per unit for development and homebuyer subsidy.
Eligibility and Restrictions	
Income	Up to 150% AMI
Occupancy	Owner Occupied
Property Conditions	Priority will be given to projects that address vacant, derelict properties, that address slum and blight, that promote mixed-income strategies, and that serve as catalytic projects in a neighborhood.
Unit Type	For mixed use, mixed type housing, ownership
Location	Riviera Beach Community Redevelopment Agency Boundaries
Funding Terms	
Mortgage	25 years, forgivable at a rate of 5% a year after the first five (5) years for end purchaser
Restrictive Covenant	During acquisition and construction and thereafter for 25 years
Interest	Not applicable

Down Payment	For end purchaser, at least 3% Minimum; at least 1% must be buyer's own funds, with remainder from a gift or other subsidy, at discretion of the Executive Director of the CRA.
Ratios (End Purchaser)	Front End – 35% Back End – 45%
Lender Criteria	For end purchaser, must meet lender credit standards; lender must be approved lender. Buyers must contact and identify a lender directly. RBCRA is not responsible for the selection of lender. Lender decisions are final.
Homebuyer Education Requirements	Attend at least an 8- hour approved homebuyer education course; with counseling through the Riviera Beach Homebuyers Club or similar.
Subsidy	Provided in the form of a second mortgage as gap financing.
Loan Origination Fees	At the discretion of the RBCRA.
Assets	For end purchaser, assets in excess of \$35,000 must be decreased through additional homebuyer contributions
Developer Requirements	Subject to negotiated developer agreement; ultimate benefit to end purchaser
Other	Reserved