



Cover Memorandum/Staff Report

File #: 19-401

Agenda Date: 4/16/2019

Item #: 8.D.

TO: Mayor and Commissioners
FROM: Michael Coleman, Director, Neighborhood and Community Services
THROUGH: Neal de Jesus, Interim City Manager
DATE: April 16, 2019

RESOLUTION NO. 43-19, HOUSING DISPOSITION/CONTRACT FOR SALE AND PURCHASE/DELRAY BEACH COMMUNITY LAND TRUST (DBCLT)/108 NW 12TH AVENUE, DELRAY BEACH, FLORIDA

RECOMMENDATION:

Motion to approve transfer property 108 NW 12TH Avenue, Delray Beach, 33444 to the Delray Beach Community Land Trust for the benefit and development of affordable housing to a household at or below 120% Area Median Income (AMI) as determined by HUD .

BACKGROUND:

In 2005, Atlantic Community High School through its Construction Career Academy created a collaborative partnership between the City of Delray Beach, Delray Beach Community Redevelopment Agency (CRA) and the School District of Palm Beach County to construct a single-family house that was student designed and student built. The program provided students with a unique educational experience and real-world skills. To date, the students have now constructed three (3) homes which take approximately three (3) years to construct and sold to an income-eligible household which may qualify under the City's First Time Homebuyer program to receive down-payment assistance. The project has been very successful. As outlined in the legal Agreement, the City donated land for the Eagle's Nest Program. The CRA granted to the City funds for the construction that will be used by the School District for construction of a single-family residence (Eagle Nest). The house will be sold for fair market value excluding the land value by the Land Trust. The CRA loan and other expenses will be paid when the house is sold. Atlantic Community High School Construction Academy will retain profits of ninety percent (90%) over and above the construction loans and expenses for the building of future houses. The City will retain ten percent (10%) of the profits, to offset costs and expenses and to further the affordable housing programs.

The City of Delray Beach desires to transfer the property located at 108 NW 12th Avenue to the Delray Beach Community Land Trust for the benefit and resale of the unit to a household with an income less than one-hundred twenty percent (120%) of Area Median Income (AMI) as determined by HUD.

STRATEGIC POLICY PRIORITY:

Strategic policy this item advances: Priority 2: Implement Development; The City of Delray Beach in its Family/Workforce Housing policy adopts and maintains its provision to facilitate the program and for the purpose of increasing the supply of affordable housing. The City of Delray Beach desires to transfer the property located at 108 NW 12th Avenue to the Delray Beach Community Land Trust for

the benefit and resale of the unit to a household eligible not to exceed the Area Median Income (AMI) in agreement and as determined by the City's Local Housing Assistance Plan and the Florida Housing Finance Corporation and to ensure continued affordability, ownership and maintenance of the property.

CITY ATTORNEY REVIEW:

The item should be fully vetted with legal for adherence with existing ordinances and laws.

FISCAL IMPACT/FUNDING SOURCE

The lot of reference was received in 2014. The current appraised value of the property is \$286,000. The home is to be sold for \$225,000 including the land value of \$37,500 with 1,436 of square feet under air. Through this subsequent transfer to Delray Beach Community Land Trust, it further continues to make available homes enhancing the affordability to low income families in perpetuity and adds stock to the Community Land Trust model.