



## Cover Memorandum/Staff Report

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**File #:** 24-095 CRA

**Agenda Date:** 9/24/2024

**Item #:** 9D.

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**TO:** CRA Board of Commissioners  
**FROM:** Christine Tibbs, Assistant Director  
**THROUGH:** Renee Jadusingh, Executive Director  
**DATE:** September 24, 2024

**AWARD REQUEST FOR PROPOSAL CRA NO. 2024-05 - FOR THE DISPOSITION OF CRA-OWNED VACANT LOTS FOR THE DEVELOPMENT OF AFFORDABLE /WORKFORCE HOUSING TO DELRAY BEACH COMMUNITY LAND TRUST, INC.**

**Recommended Action:**

Award Request for Proposals CRA No. 2024-05 - for the Disposition of CRA-owned Vacant Lots for the Development of Affordable/Workforce Housing to the Delray Beach Community Land Trust, Inc. and authorize CRA staff to enter contract negotiations accordingly.

**Background:**

At the May 30, 2024, CRA Board meeting, pursuant to Section 163.380, Florida Statutes, the CRA Board authorized CRA staff to issue a Request for Proposals (RFP) for the Disposition of CRA-owned Vacant Lots (Subject Properties) for the Development of Affordable/Workforce Housing.

Disposition of the Subject Properties helps the CRA meet one of its core objectives of providing additional affordable/workforce housing opportunities within the CRA District. Furthermore, as identified in the CRA's Redevelopment Plan, developing the Subject Properties would also fall in line with the redevelopment strategy for the residential neighborhoods north and south of West Atlantic Avenue (Northwest and Southwest Neighborhoods of The Set) which includes construction of infill single-family housing on vacant lots.

The Subject Properties (all located within CRA Sub-Area 4) included within the RFP are listed in the below table.

**Subject Properties' Location & Legal Description:**

Lot	Property Address	Parcel Control Number (PCN)	Zoning Designation and Legal Description
1	**250 NW 8th Avenue	12434617250020010	R1A - Single Family Residential TOURIST NOOK DELRAY LTS 1 & 32 BLK B
2	**250 NW 8th Avenue	12434617250020010	R1A - Single Family Residential TOURIST NOOK DELRAY LTS 1 & 32 BLK B
3	**250 NW 8th Avenue	12434617250020300	R1A - Single Family Residential TOURIST NOOK DELRAY LT 30 BLK B
4	256 NW 8th Avenue	12434617250020310	R1A - Single Family Residential TOURIST NOOK DELRAY LOT 31 BLK B

**NOTE:**

250 NW 8th Avenue is the street address for three (3) of the Subject Properties (Lots 1, 2, and 3).

\*Lot 3 has its own PCN.

\*\*Lots 1 and 2 share a PCN but are legally described as two (2) separate lots. At the time of closing, the lots will be conveyed separately (two (2) warranty deeds) which will result in the assignment of an additional PCN.

\*\*For Lots 1 and 2, an application to the City of Delray Beach for the assignment of two (2) new street addresses.

The RFP was issued on June 7, 2024, and had a Proposal Submission Due Date of July 22, 2024.

The purpose of issuing the RFP was to obtain Proposals from qualified not-for-profit entities specializing in the development and construction of affordable/workforce housing, to enter into an agreement with one (1) qualified not-for-profit entity to develop and construct four (4) single-family homes on each of the Subject Properties following the City of Delray Beach Land Development Regulations for the current zoning designation of R1A -Single Family Residential, with the end goal of providing for-sale single-family housing that is priced and restricted on a long-term basis for affordable/workforce housing, as per the City of Delray Beach's Workforce Housing Program, Article 4.7. Additionally, submitted Proposals needed to include how the homes would be developed and constructed within an 18-month timeframe, how the development and construction of the homes would be funded by Proposer as the CRA would not be providing any funds and/or subsidies, how the homes would be priced and sold, and the Proposer's offer price for the Subject Properties.

Two (2) Proposers submitted a Proposal by the Proposal Submission Due Date.

**Proposals Received (listed in alphabetical order):**

1. Delray Beach Community Land Trust, Inc. (DBCLT)
2. Habitat for Humanity of Greater Palm Beach County, Inc. (Habitat)

An overview of the Proposals is provided in the table below and the full Proposal submitted by each Proposer is included in Exhibits D and E.

Proposer	Offer Price	Home Sales Prices	Proposed Home	Homes Sale Structure	Funding Source
DBCLT	Lot 1: \$5,000 Lot 2: \$5,000 Lot 3: \$5,000 Lot 4: \$5,000 Total: \$20,000	Lot 1: \$385,230 Lot 2: \$385,230 Lot 3: \$358,850 Lot 4: \$353,380	Lot 1: Two-Story 3 Bedrooms 2.5 Bathrooms 1 Car Garage 1832 SF Lot 2: Two-Story 3 Bedrooms 2.5 Bathrooms 1 Car Garage 1865 SF Lot 3: One-Story 3 Bedrooms 2 Bathrooms 1 Car Garage 1700 SF Lot 4: One-Story 3 Bedrooms 2 Bathrooms 1 Car Garage 1650 SF (4 different home models)	Community Land Trust Model	DBCLT Program Budget

<p>Habitat</p>	<p>Lot 1: \$10,000                  Lot 2: \$10,000                  Lot 3: \$10,000                  Lot 4: \$10,000                  Total: \$40,000</p>	<p>Lot 1: Appraised Value                  Lot 2: Appraised Value                  Lot 3: Appraised Value                  Lot 4: Appraised Value                  Habitat estimates the Appraised Value will be \$475,000. Should the Appraised Value be higher, the Home Sales Price will not exceed the Local Housing Assistance Plan maximum.</p>	<p>Lot 1: One-Story 3 Bedrooms 2 Bathrooms 1 Car Garage 1671 SF                  Lot 2: One-Story 3 Bedrooms 2 Bathrooms 1 Car Garage 1671 SF                  Lot 3: One-Story 3 Bedrooms 2 Bathrooms 1 Car Garage 1671 SF                  Lot 4: One-Story 3 Bedrooms 2 Bathrooms 1 Car Garage 1671 SF (Same model home)</p>	<p>“In situations where buyers have lower incomes, Habitat for Humanity may utilize a Community Land Trust (CLT) model.”</p>	<p>Habitat Program Budget</p>
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On September 10, 2024, the Evaluation Committee, which consisted of two (2) CRA staff members and one (1) City of Delray Beach staff member, met, reviewed, discussed, and scored both Proposals based on the criteria stated within the RFP, which is provided in the table below.

REQUIREMENTS	EVALUATION CRITERIA	POINTS
<b>Qualifications and Experience &amp; Financial Capacity</b>	<ul style="list-style-type: none"> <li>• Qualifications and experience of the Proposer to develop and construct affordable and/or workforce single-family homes</li> <li>• Project and Professional References</li> <li>• Financial capacity of the Proposer to complete the development and construction of the home on each of the Subject Properties included within their Proposal within the allotted time frame per this RFP</li> <li>• Income Qualification, Buyer Selection &amp; Facilitation of Home Sales</li> </ul>	35 Points
<b>Development and Construction Plan(s) &amp; Development and Construction Costs</b>	<ul style="list-style-type: none"> <li>• Proposed Development and Construction Plan(s)</li> <li>• Proposed Development and Construction Schedule</li> <li>• Development and Construction Costs and Analysis (including any developer fees)</li> </ul>	35 Points
<b>Home Sales Price(s) &amp; Offer Price</b>	<ul style="list-style-type: none"> <li>• Offer Price for each of the Subject Properties included in the Proposal (including any conditions, terms, etc.)</li> <li>• Sales Price(s) for the single-family homes</li> </ul>	30 Points
<b>Total Maximum Points Available</b>		<b>100 Points</b>

**NOTE:**

The RFP requested information on whether the Home Sales Price provided by the Proposer for each single-family home included the land or did not include the land. If the Home Sales Price did not include the land, the Proposer shall state how the land will be handled after the sale of the home to the home buyer. The Evaluation Criteria and Evaluation Committee did not consider whether the Home Sales Price of the single-family homes included the land or not. The information was requested so a full picture of the Proposer's development and construction plans was submitted.

At the Evaluation Committee, CRA staff provided comments on each submitted Proposal as it related to the responsiveness of the submitted Proposal and its compliance with the requirements stated within the RFP. CRA staff did not provide a qualitative review of the Proposals. CRA staff noted:

- Delray Beach Community Land Trust, Inc.’s, submitted Proposal had no potential responsiveness issues.
- Habitat for Humanity of Greater Palm Beach County, Inc.’s submitted Proposal had the following potential responsiveness issues:
  - The RFP requested proof that the Proposer (or its selected general contractor) could obtain a Performance and Payment Bond at the time of construction of the single-family homes.
    - The Proposer submitted a Performance and Payment Bond Application.
  - The RFP requested disclosure of any legal actions and/or bankruptcies within the past 10 years.
    - The Proposer had provided a disclosure for the past five (5) years.
  - The RFP requested the Homes Sales Price for each single-family home to be built on the Subject Properties.
    - The Proposer provided that the Homes Sales Price of each home would be the Appraised Value of each home. The Proposer provided an estimated Appraised Value of \$475,000, and a statement stating that the if the Appraised Value was higher, the Home Sales Price would not exceed the Local Housing Assistance Plan maximum.
  - The RFP requested the Home Sales Structure - whether the Home Sales Price included the land or did not include the land. If the Home Sales Price did not include the land, the Proposer needed to state how the land will be handled after the sale of the home to the home buyer.
    - The Proposer provided the following statement: “In situations where buyers have lower incomes, Habitat for Humanity may utilize a Community Land Trust (CLT) model. Under this model, the land on which the home is built is owned by Habitat, the CLT, while the homeowner owns the physical structure of the home. This separation of land ownership from homeownership helps to keep property taxes lower for the homeowner, as they are only responsible for taxes on the structure itself, not the land.”

The RFP provides the option for the Evaluation Committee to request Oral Presentations from Proposers. The Evaluation Committee was presented with the option to request Oral Presentations from both Proposers, and the Evaluation Committee did not request Oral Presentations.

Following a discussion by the Evaluation Committee, Committee members provided their scores and the total score for each Proposer is provided in the table below. The Evaluation Committee’s Composite Score Sheet is included in Exhibit A.

<b>PROPOSER</b>	<b>TOTAL SCORE (MAXIMUM SCORE: 300)</b>
Delray Beach Community Land Trust, Inc.	286
Habitat for Humanity of Greater Palm Beach County, Inc.	278

Based on the scores, the Evaluation Committee recommended that the RFP be awarded to the Delray Beach Community Land Trust, Inc.

At this time, CRA staff is requesting the CRA Board accept the Evaluation Committee's recommendation, award RFP CRA No. 2024-05 for the Disposition of CRA-owned Vacant Lots for the Development of Affordable/ Workforce Housing to the Delray Beach Community Land Trust, Inc., and authorize CRA staff to enter into contract negotiations with the Delray Beach Community Land Trust, Inc. The negotiated agreement will be brought before the CRA Board for approval.

Attachment(s): Exhibit A - Evaluation Committee Composite Scores; Exhibit B- Location Map; Exhibit C- RFP CRA No. 2024-05; Exhibit D - Delray Beach Community Land Trust, Inc. Proposal; Exhibit E - Habitat for Humanity of Greater Palm Beach County, Inc. Proposal

**CRA Attorney Review:**

N/A

**Finance Review:**

N/A

**Funding Source/Financial Impact:**

N/A

**Overall need within the Community Redevelopment Area from Delray Beach CRA Redevelopment Plan:**

**Removal of Slum and Blight**

Land Use

Economic Development

**Affordable Housing**

Downtown Housing

Infrastructure

Recreation and Cultural Facilities