



Legislation Details (With Text)

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Title: LETTER OF SUPPORT FOR DELRAY BEACH HOUSING AUTHORITY FOR ISLAND COVE APARTMENTS

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Attachments: 1. Agenda Cover Report, 2. Exhibit A - AMI and Rent Amounts, 3. Exhibit B – Request Letter from Delray Beach Housing Authority

Date	Ver.	Action By	Action	Result
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TO: CRA Board of Commissioners
FROM: Renée A. Jadusingh, Executive Director
DATE: September 29, 2020

LETTER OF SUPPORT FOR DELRAY BEACH HOUSING AUTHORITY FOR ISLAND COVE APARTMENTS

Recommended Action:

Authorize the Executive Director to execute the Florida Finance Corporation - Local Government Verification of Contribution - Grant Form to support the Delray Beach Housing Authority's affordable housing project - "Island Cove Apartments".

Background:

DELRAY BEACH HOUSING AUTHORITY - ISLAND COVE APARTMENTS - 54 AFFORDABLE HOUSING RENTAL UNITS:

In 2019, Smith & Henzy Advisory Group ("Smith & Henzy") and Delray Beach Housing Authority ("DBHA") formed a partnership to develop an affordable housing project, "Island Cove Apartments" on a site that is currently owned by DBHA and is located to the southwest of the intersection of SW 8th Street and SW 12th Avenue in Delray Beach, FL. This project consists of 54 mixed-income affordable housing rental units reserved for households making 30%-80% or less of the area median income (see Exhibit "A") as follows:

<u>Distribution of Total Units:</u>	<u>Total</u>	<u>% of Total</u>
30% AMI	9	16.7%
60% AMI	27	50.0%
70% AMI	9	16.7%
80% AMI	9	16.7%
Total Units	54	100.0%

<u>All Units:</u>	<u>Total Units</u>	<u>Weighted Avg. Unit Size (SF)</u>
Two Bedroom/Two Bathroom	36	900
Three Bedroom/Two Bathroom	18	1,100
Total Units	54	967

To bring Island Cove Apartments to fruition, the DBHA intends to apply to Florida Housing Finance Corporation ("FHFC") for 9% Low-Income Housing Tax Credits in the 4th quarter of 2020. As part of the application, the DBHA must show support from the local government to satisfy the "Local Government Area of Opportunity Funding Goal" via a monetary local government contribution ("Local Contribution"). The winners will be selected in the Spring of 2021. If Island Cove Apartments receives an allocation of 9% Tax Credits, we would begin construction on the project in late 2021 or early 2022.

REQUEST TO THE CRA:

On August 14, 2020, the DBHA submitted a grant request for the Delray Beach Community Redevelopment Agency in an amount not to exceed \$1,000,000 to satisfy the Local Contribution (see Exhibit "B"). CRA funds would be used to cover construction costs, as well as costs related to redesigning the project and infrastructure costs that are required to build new construction.

In past years, the CRA has partnered with the DBHA to provide affordable housing by supporting Village Square and Village Square Elderly. Similar to the structure of this request, the DBHA partnered with a private tax credit developer to plan, develop and finance a new 253-unit mixed income development over the entire 18 acres of a Housing Authority owned property. The CRA committed funding to redevelop the property in the form of a \$100,000 grant for the mixed income rental phase of the development and a \$2.7 million loan for the elderly housing phase.

Chapter 163.340(9) states that "[c]ommunity redevelopment' ... means undertakings, activities, or projects of a ... community redevelopment agency in a community redevelopment area ... for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly[.]" Furthermore, leveraging CRA funds to provide 54 mixed-income affordable housing rental units is also in line with our Redevelopment Plan that states that one of the objectives of the CRA's Affordable/Workforce Housing Program is to "[p]rovide decent, affordable/workforce housing for residents who are of very low to moderate income level."

At this time, the DBHA is requesting that the CRA execute a Local Government Verification of Contribution - Grant Form. If the DBHA project is selected to receive the 9% tax credit award, the DBHA would return to the CRA to request a grant and the agreement would be presented to the Board.

The DBHA's request letter is attached for review and consideration.

Attachment(s): Exhibit A - AMI and Rent Amounts; Exhibit B - Request Letter from Delray Beach Housing Authority

CRA Attorney Review:

N/A

Funding Source/Financial Impact:

If approved, funding will be allocated from 6512 - Support for Affordable Housing Initiatives in Fiscal Year 2020 -2021 beginning on October 1, 2020.