



Legislation Text

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TO: CRA Board of Commissioners
FROM: Tara Toto, Redevelopment Manager
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: November 19, 2019

DEVELOPMENT AND DISPOSITION OF CRA-OWNED PROPERTIES IN THE SW NEIGHBORHOOD FOR WORKFORCE HOUSING - RESOLUTION 2019-12 PURCHASE AND SALE OF REAL PROPERTY AGREEMENT, EXECUTION OF CONSTRUCTION LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT AND PROMISSORY NOTE WITH DELRAY BEACH COMMUNITY LAND TRUST, INC., IN SUBSTANTIALLY THE ATTACHED FORM.

Recommended Action:

Approve and authorize the CRA Board Chair to execute Resolution 2019-12 Purchase and Sale Agreement for ten (10) single family residential lots, associated Construction Loan Agreement, Mortgage and Security Agreement and Promissory Note with Delray Beach Community Land Trust, Inc. for the purpose of development and construction of Workforce Housing in the West Atlantic Southwest Neighborhood, in substantially the attached form.

Background:

In order to meet the market demands of Affordable Workforce Housing in the CRA District, the Board approved the workforce housing redevelopment known as Corey Isle Project. The Project consists of ten (10) single family residential dwelling units in the West Atlantic southwest neighborhood. Nine (9) of the residential lots are located in the northwest corner of SW 7th Avenue and SW 4th Street and when completed will front SW 7th Avenue. There is one (1) additional lot located at 238 SW 6th Avenue.

A Request for Proposals (RFP 2019-03) was prepared and issued on April 22, 2019 for the development of the homes with a submittal deadline of May 29, 2019.

At the June 11, 2019 CRA Board Meeting, the CRA Board awarded RFP 2019-03 to the Delray Beach Community Land Trust, Inc. (CLT) in an amount not to exceed \$2,454,350.00 for the Project and authorized the CRA General Counsel and Executive Director to negotiate an agreement for the Board's consideration.

Per the CRA Board directive, the following has been negotiated:

- 1) The Purchase and Sale Agreement by and between the Delray Beach CRA and Delray Beach CLT for ten (10) vacant single-family residential lots in the amount of \$5,000.00.
- 2) A Construction Loan Agreement in the amount of \$2,454,350.00 by and between the Delray Beach CRA and Delray Beach CLT for the construction of ten (10) single-family workforce housing units.
- 3) A Mortgage and Security Agreement by and between the Delray Beach CRA and Delray Beach CLT in the amount of \$2,454,350.00.
- 4) A Promissory Note by and between the Delray Beach CRA and Delray Beach CLT in the amount of \$2,454,350.00.

Projected Project Schedule:

- November 12, 2019 - Approval of the Purchase and Sale Construction Loan Documents.
- October through December 2019 - CRA site work & finalize building permits.
- January 2020 - Tentative CLT construction start date, subject to completion of site work by the CRA.
 - Project completion - 270 calendar days from issuance of Notice to Proceed.

Attached for your consideration is the Resolution 2019-12 Purchase and Sale Agreement, Construction Loan Agreement, Mortgage and Security Agreement and Promissory Note.

Attachment(s): Exhibit A - Location Map & Photos; Exhibit B - Resolution 2019-12; Exhibit C - Purchase and Sale Agreement; Exhibit D - Construction Loan Agreement; Exhibit E - Mortgage and Security Agreement; Exhibit F - Note

CRA Attorney Review:

The CRA Attorney has prepared the Resolution and Agreements as to form and determined them to be acceptable.

Finance Review:

N/A

Funding Source/Financial Impact:

Funding in the amount of \$2,900,000.00 is currently allocated for the project from General Ledger #6622 - Carver Square Neighborhood - Corey Isle Workforce Housing.