



Legislation Text

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TO: CRA Board of Commissioners
FROM: Tara Toto, Redevelopment Manager
THROUGH: Renée A. Jadusingh, Esq., CRA Executive Director
DATE: July 28, 2020

CARVER SQUARE CONSTRUCTION STRATEGY DETERMINATION

Recommended Action:

Provide Delray Beach Community Redevelopment Agency staff with a construction strategy determination for the Carver Square Workforce Housing project.

Background:

The Delray Beach Community Redevelopment Agency (CRA) was established to eliminate slum and blight in the established CRA District within the City of Delray Beach. Key components to accomplishing this mission is through redevelopment and affordable housing.

The CRA Redevelopment Plan identifies Carver Square as a redevelopment project to provide affordable housing. Beginning in 2005, the CRA acquired two (2) blocks of single-family properties (twenty (20) lots total) in the Carver Square subdivision in the Southwest Neighborhood. The houses were constructed on the site of a former pond and informal dumping area, and due to soil settlement issues, most of the houses had experienced significant structural damage. The CRA's plan for the Carver Square area included resident relocation, demolition of the remaining structures, remediation of the soil conditions, stabilization of the site, and construction of new single-family affordable housing (p.29; p.86-89)

The CRA Redevelopment Plan breaks down the Carver Square redevelopment project into Four Phases which consist of the following: Phase One (initial soil testing), Phase Two (acquisition of the properties, relocation of the residents, and demolition of the structures), Phase Three (environmental testing and remediation), and Phase Four (construction of the new affordable/workforce housing units) (p.88-89.). Having completed Phases One through Three, the CRA is now in the final phase.

In 2018, the CRA engaged a consultant to design new affordable/workforce housing for Carver Square. Throughout the design process, significant input was provided by the community related to the overall design of the project and more specifically, the types of homes that would best suit the needs of the community.

CRA staff presented a project update to the Board at the June 23, 2020, CRA Board meeting and requested a construction strategy determination. The following options were provided for consideration:

1) Contract with a Nonprofit to Construct and Sell the Homes.

- Publish a Request for Proposal (RFP) for a local Nonprofit to develop, construct and sell.
- Nonprofit to act as Developer.
- Example: Corey Isle Workforce Housing/Delray Beach Community Land Trust.

2) Contract with a Construction Engineering Inspector (CEI) & General Contractor (GC).

- Publish a Request for Invitation to Bid (ITB) for a CEI and GC.
- CRA to act as Developer (income qualification, marketing, and selling homes).

3) Partner with Palm Beach County Department of Housing and Economic Sustainability under their Workforce Housing Program (PBC ULDC Article 5, Chapter G, Section 1).

- CRA to donate or sell land for Workforce Housing to developer.
- Home Builder/Developer will construct the homes.
- Palm Beach County would establish the price of the homes.
Palm Beach County would prequalify and match potential home buyers with lenders.

The CRA Board directed staff to continue moving forward with the project, while concurrently conducting an informal inquiry to those developers or contractors who would be interested and able to construct twenty (20) single-family affordable/workforce housing units within 18-24 months.

Following the June 23, 2020, CRA Board meeting, CRA staff reached out to local developers and contractors. We received interest with varying levels of scope, including but not limited to, purchasing the lots for a nominal amount; acting as the general contractor to build the CRA's designs; and building some single-family homes now and some at a later date utilizing the developers plans.

CRA Staff is seeking input and direction on the development strategy, however, regardless of the approach, at a minimum, Staff recommends considering the following for discussion:

- Homes developed within 18-24 months and are a for sale product (selling the land and house).
- Homes are restricted, developed, and sold in accordance with the City of Delray Beach's Workforce Housing Program or Palm Beach County's Workforce Housing Program to increase the workforce housing stock within the CRA District.
- CRA hires a Construction Engineering Inspector to oversee the development.
- Require that a certain number of local subcontractors be hired.
- If the intent is for a third-party developer to build the homes, request that the CRA's designs are considered for potential development.
- CRA is involved in the income qualification and selling process.

Attachment(s): Exhibit A - Location Map; Exhibit B - Colored Elevations

CRA Attorney Review:

N/A

Funding Source/Financial Impact:

Funding is available in the amount of \$4,328,821.00 - GL#6621