

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2024	2025	2026	2027	2028
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Proposed Budget? Yes _____ No X
 Does this Item include the use of Federal funds? Yes _____ No X
 Does this Item include the use of State funds? Yes _____ No X

Budget Account No.:

Fund _____ Dept. _____ Unit _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact at the time of this conceptual award. Fiscal impact will be determined upon final BCC approval of the project.

C. Departmental Fiscal Review:



 Valerie Alleyne, Division Director II
 Finance and Administrative Services, DHED

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 5/20/24
 OFMB PA 5/24 DARS 5/24/24
 5/29/24
 Contract Development and Control
 mbs 5/29/24

B. Legal Sufficiency:

 5/29/24
 Chief Assistant County Attorney

C. Other Department Review:

 Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

Workforce Housing Awards

June 4, 2024

Page 3

Summary: (Continued from Page 1)

Staff received a “best and final” for the following three (3) proposals: 1) Gallery at Sunset Park; 2) Residences of Lake Worth Beach; and 3) Judge Rodgers Court. While most of the developers were unable to reach the County’s requests for HBLP funding to be no more than 15% of the total project costs, each developer was able to reduce their request from the County to 25% or under. All developers were able to meet the County’s requests for the 110% AMI rental cap. Details and specifics of each project are included in the Proposal Summaries.

Project Name	Total Project Cost	Best & Final HBLP Funding Request	Recommended HBLP Funding	% of Total Project Cost	Total Number of Units	Number of County-Assisted Units
Gallery at Sunset Park	\$60,206,187	\$14,900,000	\$14,900,000	24.75%	145	145
Residences of Lake Worth Beach	\$67,037,207	\$13,000,000	\$13,000,000	19.39%	195	165
Sub Total	\$127,243,394	\$27,900,000	\$27,900,000	N/A	340	310
Judge Rodgers Court	\$58,685,560	\$8,802,832	0	15.00%	150	45
GRAND TOTAL:	\$185,928,954	\$36,702,832	\$27,900,000	N/A	490	355

Following conceptual approval, the projects will be sent for underwriting and a cost certification must be submitted by each developer and approved by DHED prior to the start of construction. Staff will bring back a comprehensive terms and conditions sheet for final BCC approval. The loan agreements and related documents pursuant to these Bond funds will be between the County and above respective party (and their respective successors and/or assigns). Districts 3 and 7 (HJF)

Background and Policy Issues: (continued from Page 1)

DHED is administering the voter approved HBLP. Bond funds may be issued all at once or in tranches, as determined by the BCC, for the purposes as stated in Palm Beach County’s Resolution R2022-1405. The Process includes approved General Guidelines from the Resolution (R2022-0626) calling for the Bond approved by the voters and proposed funding criteria and processes including project requirements, loan terms deed restrictions, project selection, credit underwriting and compliance and monitoring requirements.

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Proposal Modifications Summary – Best and Final Proposal

Project name: Gallery of Sunset Park

Respondent/Developer: The respondent/developer is Gallery at Sunset Park, LLC, a for-profit organization, and an affiliate of Related Urban Development Group.

Board of County Commissioners' direction:

Work with proposers to negotiate and modify the designated proposals to limit the requested HBLP funds to no more than 15% of the total development cost and also limit the rental rates to no more than the FHFC Rental Limits for 110% AMI.

Modifications to the original proposal:

Requested HBLP Funding: \$17,000,000

Modified HBLP Funding Request: \$14,900,000

Original Development Costs and Funding Sources:

Development Costs and Funding Sources:

Total Development Cost	56,406,473
Tax Credit Equity	7,044,802
Grandbridge Capital	24,600,000
Housing Bond Funds	17,000,000
Sponsor Equity / Loan	1,500,000
Deferred Developer Fee	6,261,671
Total:	56,406,473

Modified Development Costs and Funding Sources:

Total Development Cost	60,206,187
Tax Credit Equity	7,574,440
Grandbridge Capital	27,900,000
Housing Bond Funds	14,900,000
Sponsor Equity / Loan	2,500,000
Deferred Developer Fee	7,331,747
Total:	60,206,187

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Funding Commitments:

- Permanent financing from Grandbridge Real Estate Capital in the amount of **\$27,900,000**.
- Tax credit equity from Truist Community Capital, LLC in the amount of **\$7,574,440**
- Development/financing loan from RUDG, LLC for **\$2,500,000**
- Average balance deposit from the City National Bank Financial Group stating the average balance on deposit is in the low eight figures.

Costs allocation:

Total Development Cost	\$60,206,187
Total Number of Units	145
Cost per unit	\$415,215
Number of County-Assisted Units	145
County Funding Amount (CFA)	\$14,900,000
CFA Percentage of Total Project Cost (CFA ÷ Total Project Cost)	24.74%
County Funding per County-Assisted Unit	\$102,759

Rental Pricing: The project’s operating pro forma lists monthly rent charged per unit for household with an income at or below **110% AMI** as follows:

Unit Type	Units	Proposed Rent	FHFC Rent Limits
1 BR / 1 BA (60% AMI) Affordable Housing Tax-Credit Units	17	\$1,021	\$1,096
1 BR / 1 BA (110% AMI) Workforce Housing	26	\$2,012	\$2,012
2 BR / 2 BA (60% AMI) Affordable Housing Tax-Credit Units	41	\$1,205	\$1,315
2 BR / 2 BA (110% AMI) Workforce Housing	61	\$2,412	\$2,412

According to the 2023 Florida Housing Finance Commission (FHFC) Multifamily Program Rent Limits, the monthly rents charged would fall within the applicable rent limit for unit size and income.

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

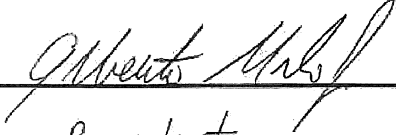
Additional comment/notes from Proposer:

- Delivering **both** Affordable (Low-Income) and Workforce Units in a single project
- Reduced PBC request by \$2.1MM to \$14.9MM
- Reduced all Workforce Units to 110% AMI, down from 120% AMI
- PBC Bond Funds reduced to 24.74% of project sources, down from 30%
- Related will increase its equity investment to \$2.5MM, up from \$1.5MM
- All units are Income-Restricted as Affordable and Workforce Housing
 - 40% of all units (58 total units) at 60% AMI (Low-Income Affordable)
 - 60% of all units (87 total units) at 110% AMI (Workforce)
- Project offers mostly 2-BR units
- All units will remain restricted as Affordable and Workforce Housing for 40 Years
- Walking distance to PBC’s “45th Street Complex” at Australian Ave. & 45th St.
- Mt. Calvary Baptist Church is facilitating the project through a long-term land lease
- Related is committed to reducing PBC’s loan commitment – accordingly:
 - Any additional outside public funding received, over and above the PBC Housing Bond Funds, will be used as follows:
 - First, to repay Related’s \$2.5MM equity investment, with any additional funding being split 50 / 50 between PBC and Related
 - **Example Scenario: If \$5MM in outside public funding is received:**
 - **Related’s \$2.5MM equity investment is repaid; then,**
 - **Remaining \$2.5MM is split 50 / 50 between PBC and Related**
 - **PBC’s commitment reduced by \$1.25MM to \$13.65MM**

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Gallery at Sunset Park Developer, LLC/Related Urban Development Group hereby submits these Modifications to the Proposal for Gallery at Sunset Park in response to the Workforce Multifamily Housing Development RFP (HED.HBLP.2024.4), agrees to, and shall be bound to the terms and conditions of the RFP and the representations of these Modifications.

**Gallery at Sunset Park Developer,
LLC/Related Urban Development Group**

By: 
Title: President

Proposal Modifications Summary – Best and Final Proposal

Project name: Residences of Lake Worth Beach

Respondent/Developer: The respondent/developer is Richman Lake Worth Apartments, LLC, a for-profit organization.

Board of County Commissioners direction:

Work with proposers to negotiate and modify the designated proposals to limit the requested HBLP funds to no more than 15% of the total development cost and also limit the rental rates to no more than the FHFC Rental Limits for 110% AMI.

Modifications to the original proposal:

Requested HBLP Funding: \$17,160,000

Modified HBLP Funding Request: \$13,000,000

Original Development Costs and Funding Sources:

Development Costs and Funding Sources:

Total Development Cost	\$49,816,825
Merchant’s Capital	\$31,477,206
Housing Bond Funds	\$17,160,000
Deferred Developer Fee	\$1,179,620
Total:	\$ 49,816,825

Modified Development Costs and Funding Sources:

Total Development Cost	\$67,037,207
Merchant’s Capital	\$45,530,298
Housing Bond Funds	\$13,000,000
Deferred Developer Fee	\$1,806,909
Developer Equity	\$6,700,000
Total:	\$67,037,207

Funding Commitments:

- Respondent documented availability of non-County Project funding as follows: Financing Loan letter from the Merchants Capital dated February 28, 2024 for construction expenses funds in the amount of \$31,477,206.

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Costs Allocation:

Total Development Cost	\$67,037,207
Total Number of Units	195
Cost per unit	255,471
Number of County-Assisted Units	165
County Funding Amount (CFA)	\$13,000,000
CFA Percentage of Total Project Cost (CFA ÷ Total Project Cost)	19.39%
County Funding per unit	\$78,788

Rental Pricing: The project’s operating pro forma lists monthly rent charged per unit for household with an income at or below 110% AMI as follows:

Unit Type	Units	Proposed Rent	FHFC Rent Limits
1 BR / 1 BA (110% AMI)	99	\$2,009	\$2,193
1 BR / 1 BA (80% AMI)	6	\$1,462	
2 BR / 2 BA (110% AMI)	77	\$2,411	\$2,631
2 BR / 2 BA (80% AMI)	8	\$1,754	
3 BR / 2 BA (110% AMI)	5	\$2,785	\$3,039

*of the 195 total units, 30 are required at various AMI levels by the City of Lake Worth Beach for increased building height and reduced parking. Per the RFP requirements, the 30 units required for zoning can’t be counted as “county assisted”. These units break down as follows:

According to the 2023 Florida Housing Finance Commission (FHFC) Multifamily Program Rent Limits, the monthly rents charged would fall within the applicable rent limit for unit size and income.

Additional comment/notes from Proposer:

Please see attached anarrative for further clarification

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

The Richman Group of Florida, Inc. hereby submits these Modifications to the Proposal for the Residences at Lake Worth Beach project in response to the Workforce Multifamily Housing Development RFP (HED.HBLP.2024.4), agrees to, and shall be bound to the terms and conditions of the RFP and the representations of these Modifications.

The Richman Group of Florida, Inc.

By:  _____

Title: President _____

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Proposed modification to the original proposal.

Original Proposal:

The original overall project included a total of 195 residential apartment homes, with 39 units serving households with incomes at or below 60% of the Area Median Income (AMI) and 156 units serving households at or below 100% AMI (workforce units). The application for HED.HBLP.2024.4 included 156 county-assisted workforce units requesting a total of \$17,160,000 in HBLP funds. The 39 units were excluded from the request for HBLP funds because they were utilizing tax exempt bonds and 4% Low Income Housing Tax Credit equity (LIHTC) as a funding source, and therefore under the rule were not eligible for funding in the RFP HED.HBLP.2024.4.

The total number of county-assisted units in the original proposal is 156 which equates to \$110,000 per unit in HBLP funding.

Permanent Sources:	Amount	% of Total
Developer Equity	\$5,953,235.00	8.83%
First Mortgage	\$34,448,442.00	51.09%
PBC Funds	\$17,160,000.00	25.45%
LIHTC Equity	\$6,278,947.00	9.31%
Deferred Developer Fee	\$3,589,180.00	5.32%
	\$67,429,804.00	100.00%

Modified Proposal:

To reduce the amount of requested HBLP funds, the developer has adjusted the set asides by increasing the number of workforce units and removing the affordable units. This allows the developer to increase the leverage by increasing the amount of first mortgage debt by more than 32% to account for the loss in the HBLP funds. The modified project now includes 195 total units with 14 units serving households with incomes at or below an average of 80% AMI and 181 units serving households with incomes at or below 110% AMI. The total number of county-assisted units in the modified proposal is 165 which equates to \$78,788 per unit in HBLP funding.

The reason all 195 units are not considered county-assisted is because the City of Lake Worth Beach required 30 units to be set aside at various AMI levels in order to grant the developer increased building height and reduced parking requirements. The county's RFP required that any county-assisted units must be in addition to any other local government obligations.

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Proposal Modifications Summary – Best and Final Proposal

Project name: Judge Rodgers Court

Respondent/Developer: The respondent/developer is the Riviera Beach Housing Authority (RBHA).

Board of County Commissioners' direction:

Work with proposers to negotiate and modify the designated proposals to limit the requested HBLP funds to no more than 15% of the total development cost and also limit the rental rates to no more than the FHFC Rental Limits for 110% AMI.

Modifications to the original proposal:

Requested HBLP Funding: \$13,000,000

Modified HBLP Funding Request: \$8,802,832

Original Development Costs and Funding Sources:

Development Costs and Funding Sources:

Total Development Cost	\$58,685,560
M&T Realty Capital	\$44,014,170
Equity	\$1,671,390
Housing Bond Funds	\$13,000,000
Total:	\$58,685,560

Modified Development Costs and Funding Sources:

Total Development Cost	\$58,685,560
M&T Realty Capital	\$41,801,057
Equity	\$8,081,671
Housing Bond Funds	\$8,802,832
Total:	\$58,685,560

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

Funding Commitments:

- Financing Loan from M&T Realty Capital Corporation for expenses funds in the amount of \$43,327,900.

Costs allocation:

Total Development Cost	\$58,685,560
Total Number of Units	150
Cost per unit	391,237
Number of County-Assisted Units	45
County Funding Amount (CFA)	\$8,802,832
CFA Percentage of Total Project Cost (CFA ÷ Total Project Cost)	15%
County Funding per unit (total units)	\$195,617

Rental Pricing: The project's operating pro forma lists monthly rent charged per unit for household with an income at or below 120% AMI as follows:

RENTS FOR COUNTY ASSITED UNITS

Unit Type	Units	Proposed Rent	FHFC Rent Limits
110 % AMI - 1 BR / 1 BA	25	\$1,910	\$2,010
110 % AMI – 2 BR / 2 BA	15	\$2,392	\$2,412
110 % AMI – 3 BR / 2 BA	5	\$2,766	\$2,786

According to the 2023 Florida Housing Finance Commission (FHFC) Multifamily Program Rent Limits, the monthly rents charged would fall within the applicable rent limit for unit size and income.

Additional comment/notes from Proposer:

1. RBHA reduced bond request from 22% of total development cost to PBC Board of Commissioners recommended threshold of 15% of Total Development Cost.
2. RBHA addressed staff concerns regarding the incompatibility of the FHA loan. We opted for traditional construction loan at 70% of LTC with DSCR of 1.2. This reduced on senior loan proceeds to approximately \$3M dollars.

RFP HED.HBLP.2024.4 – Workforce Multifamily Housing Development

3. RBHA equity commitment changed from \$1.3M dollars to \$8.1 million dollars. Sponsorship team has approximately equal equity as bond request. The cap stack summary is as follows: 70% senior construction debt, 15% PBC Bond, 15% LP Equity.
4. Total development cost has not increased and total number of County assisted units are 45 units. The rents for the county assisted units are below the FHC limits for 110% AMI.
5. RBHA has executed the development agreement with the City of Riviera Beach and taken ownership of the property.
6. The reversionary language contemplated in the warranty deeds will be removed through ratification June 12, 2024 by the Palm Beach County School Board.
7. The Architect, Civil Engineer, Planning Consultants, have completed the site plan pre-application meetings and City of Riviera Beach has committed to an expedited process. Our development timeline shows clear path to breaking ground Q3 2025.
8. RBHA request interest only for a period of twenty years at an interest rate not to exceed 1% annually.
9. The sponsorship team has committed to building a community center in conjunction with the housing to provide long term benefits to residents and surrounding community. RBHA has executed an MOU with the Alpha Educational Foundation.

Backup documentation will be provided in subsequent correspondence to HED staff.

Riviera Beach Housing Authority hereby submits these Modifications to the Proposal for the Judge Rodgers Court project in response to the Workforce Multifamily Housing Development RFP (HED.HBLP.2024.4), agrees to, and shall be bound to the terms and conditions of the RFP and the representations of these Modifications.

Riviera Beach Housing Authority

By:  _____

Title: Executive Director