



# Broward County

## Legislation Text

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File #: 22-824, Version: 1

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### **Broward County Commission Regular Meeting**

**Director's Name:** Leonard Vialpando

**Department:** Resilient Environment      **Division:** Housing Finance Division

### **Information**

#### **Requested Action**

A. MOTION TO AUTHORIZE County Administrator to execute an agreement, with Central County Community Development Corporation (CCCCDC), a Florida nonprofit, wholly owned subsidiary of the Urban League of Broward, to fund \$120,000 to the CCCCCDC for the development gap of three new affordable single family homes in the Broward Municipal Services District (BMSD); and authorizing the County Administrator to take the necessary administrative and budgetary actions to allocate and implement the funding within the Affordable Housing Trust Fund in the amount of \$120,000. This document was prepared and approved by the Office of the County Attorney.

***ACTION: (T-10:31 AM) Approved.***

***VOTE: 9-0.***

B. MOTION TO ADOPT budget Resolution to appropriate funds within the Affordable Housing Trust Fund in the amount of \$120,000 for the housing development gap of three new affordable single family homes in the BMSD being developed by CCCCCDC. **(Commission District 8)**

***ACTION: (T-10:31 AM) Approved Resolution No. 2022-306.***

***VOTE: 9-0.***

#### **Why Action is Necessary**

MOTION A: Board action is required to approve agreements with outside agencies.

MOTION B: Board action is required to adopt budget Resolutions to expend funds.

#### **What Action Accomplishes**

Provides for the preparation and approval of an agreement with CCCCCDC to fund a housing development funding gap realized by CCCCCDC in the construction of three new affordable BMSD infill single family homes, in the amount of \$120,000. This action adopts the budget resolution and allocates Affordable Housing Trust Fund monies for the development gap.

#### **Is this Action Goal Related**

Yes

### **Previous Action Taken**

On April 7, 2020, Item 11, the Board of County Commissioners (BOCC) adopted Resolution 2020-131 authorizing the conveyance of three county owned vacant residential parcels within the BMSD to the CCCDC for the purpose of developing three new affordable single family homes for low or moderate income qualified buyers.

### **Summary Explanation/Background**

THE RESILIENT ENVIRONMENT DEPARTMENT AND HOUSING FINANCE DIVISION RECOMMEND APPROVAL OF THIS MOTION.

This item supports the Commission's VALUE of "offering sustainable, compatible, innovative housing options for all income levels, including integrated, permanent supportive housing" and the Commission's GOAL to "promote housing and community redevelopment that integrates energy efficiency, community resilience, and other livability standards and initiatives."

On March 14, 2017, the BOCC adopted Resolution No. 2017-085 (Agenda Item No. 84), conveying 40 escheated lots to ten local nonprofit agencies to develop 40 new affordable single-family homes in the BMSD, all with specific square footage, design, and affordability requirements, with a 15-year affordability restrictive covenant. One of the nonprofit agencies, Broward Alliance for Neighborhood Development (BAND), was unable to complete the development of three lots assigned to BAND, although the properties were already under purchase and sales agreements with income eligible, qualified buyers since early 2018. Following numerous discussions with BAND's construction lender and remaining BAND representatives, it was determined that BAND did not have the organizational nor fiscal capacity to finish the projects, and the construction financing workout would take an extended period to resolve. Given the significant delay already realized by the homebuyers, it was recommended to transfer these homebuyers to CCCDC; the Urban League of Broward's housing development subsidiary, CCCDC, was the best performing of the initial ten nonprofit agencies, completing their assigned infill homes on time, and exhibiting the ability to handle additional development sites.

On April 7, 2020, the BOCC adopted Resolution No. 2020-131 (Agenda Item No.11), authorizing the conveyance of three County owned vacant residential parcels within the BMSD to CCCDC for the purpose of constructing three new affordable single-family homes for the 3 qualified income eligible buyers who had been transferred from the BAND lots. Purchase prices for the homesites were established in 2020 based on the affordability requirements, and CCCDC entered into construction contracts based on 2019 actual costs.

The pandemic affected almost all components of housing development, causing labor shortages and supply line interruptions, resulting in more than a 16% increase in construction supplies, labor, and material costs since 2020. As a result, the CCCDC requested funding of \$40,000 per homesite to offset this unanticipated development funding gap for the three homes while maintaining the agreed upon price. Specifically, the cost increases are associated with concrete/rebar, roof trusses, electrical/plumbing/HVAC, drywall/framing, sewer lateral extension and insulation costs. Two homes are anticipated to be completed by early summer 2022, the third home is scheduled for completion by

early fall 2022.

**Source of Additional Information**

Ralph Stone, Director, Housing Finance Division, 954-357-5320.

**Fiscal Impact**

**Fiscal Impact/Cost Summary**

Broward County will expend \$120,000 from the Affordable Housing Trust Fund.