



Broward County

Legislation Text

File #: 21-592, Version: 1

Broward County Commission Regular Meeting

Director's Name: Leonard Vialpando

Department: Environmental Protection

Division: Housing Finance & Comm. Redevelopment

Information

Requested Action

A. MOTION TO APPROVE Second Amendment to Loan Agreement regarding a County Loan for the acquisition and permitted soft costs for a property located at 3700-3776 N.E. 12th Avenue, Oakland Park, Florida by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years and to allow for the principal payment paid on March 31, 2021 to be treated as a credit towards a subsequent loan-to-grant conversion request; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

B. MOTION TO APPROVE Third Amendment to Loan Agreement regarding a County Loan for the acquisition and permitted soft costs for a property located at 3148 N.E. 12th Avenue, Oakland Park, Florida (Site 2), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

C. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for the demolition and improvements to provide public parking on a previously acquired property located at 3700-3776 N.E. 12th Avenue, Oakland Park, Florida by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years and to allow for the principal payment paid on March 31, 2021 to be treated as a credit towards a subsequent loan-to-grant conversion request; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

D. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for the partial demolition and improvements on a previously acquired property located at 3148 N.E. 12th Avenue, Oakland Park, Florida (Site 2), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years and to allow for the principal payment paid on March 31, 2021 to be treated as a credit towards a subsequent loan-to-grant conversion request; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

E. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for the demolition and site improvements on a property located at 1110 N.E. 34th Court, Oakland Park, Florida (Site 3), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

F. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for the soft costs associated with the acquisition of a property located at 1110 N.E. 34th Court, Oakland Park, Florida (Site 3), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

G. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for the soft costs associated with the acquisition of a property located at 1229 N.E. 37th Street, Oakland Park, Florida (Site 4), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

H. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for the demolition and partial site improvements as part of the Downtown Gateway ("Jaco Park"), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community

Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

I. MOTION TO APPROVE First Amendment to Loan Agreement regarding a County Loan for enhancements to N.E. 12th Avenue, Oakland Park, Florida (Site 4), by and among Broward County, the City of Oakland Park (City), and the Oakland Park Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 4)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

J. MOTION TO APPROVE Fourth Amendment to Loan Agreement, regarding a County Loan for the construction of a portion of a parking garage, by and among Broward County, the City of Dania Beach (City), and the Dania Beach Community Redevelopment Agency (CRA) to allow for the loan-to-grant provisions to be extended from 20 to 30 years; and authorize the Mayor and Clerk to execute same. **(Commission District 7)**

ACTION: (T-10:51 AM) Approved.

VOTE: 9-0.

Why Action is Necessary

Amendments to loan agreements and terms regarding the Redevelopment Capital Program (RCP) funding require approval by the Board of County Commissioners.

What Action Accomplishes

Action provides for ten amendments to existing RCP Loan Agreements; nine with the City of Oakland Park and the Oakland Park Community Redevelopment Agency and one with the City of Dania Beach and the Dania Beach Community Redevelopment Agency, to revise loan-to-grant conversion provisions to extend the loan conversion deadline from Fiscal Year 2026 until Fiscal Year 2036. It also allows Oakland Park to credit principal payments for loan payments paid on March 31, 2021 towards a subsequent loan-to-grant conversion request.

Is this Action Goal Related

Yes

Previous Action Taken

No previous action.

Summary Explanation/Background

THE ENVIRONMENTAL PROTECTION AND GROWTH MANAGEMENT DEPARTMENT AND THE HOUSING FINANCE AND COMMUNITY REDEVELOPMENT DIVISION RECOMMEND APPROVAL

OF THE ABOVE MOTION.

This item supports the Board's Value of offering sustainable, compatible, innovative housing options for all income-levels, including integrated supportive housing and rapid-rehousing: Goal 1: Facilitate a regional approach to growth and redevelopment through coordination and collaboration at the federal, state and local levels; Goal 2: Strengthen stakeholder partnerships to increase the availability of affordable housing of all types, (e.g. rental, purchase, supportive, etc.), countywide, in every community; and Goal 3: Develop through effective community collaboration, neighborhoods and communities incorporating intermodal connectivity, while integrating energy efficiency, community resilience and other livability standards and initiatives.

In May 2020, the City of Oakland Park and the Oakland Park Community Redevelopment Agency requested Broward County amend the Redevelopment Capital Program (RCP) to allow ten additional years for the loan-to-grant conversion period. The City believes had they not been negatively impacted by COVID-19, these projects would have been completed and met the loan-to-grant threshold conversion. (A Program overview and an explanation of conversion provisions is provided in Exhibit 2.) This requires amendments to all nine existing Loan Agreements (Exhibits 1A thru 1I). In addition, the City of Dania Beach and the Dania Beach Community Redevelopment Agency have one remaining RCP Loan Agreement with Broward County, which requires an amendment (Exhibit 1J).

Currently, the Program's conversion provisions expire in Fiscal Year 2026. After that time, all existing unconverted loans will be in a pay-back mode only. The ability to convert loans is based on a Net Present Value (NPV) calculation of increased income of the County's share of tax base revenue from new development in the municipality's Community Redevelopment Area. As we approach Fiscal Year 2026, that NPV conversion value decreases to zero.

Current Status of RCP Loans

Between Dania Beach and Oakland Park, there are ten remaining RCP loan agreements with the County. Dania Beach has one, and Oakland Park has nine. Eight loans are currently in repayment status: Dania Beach (one), Oakland Park (seven). Two more loans with Oakland Park will start repayments by March 2023. Exhibit 3 depicts current loan data (as of 12/31/2020) and includes current and future projected income from principal and interest payments the County derives through the RCP, assuming no additional loan-to-grant conversions thru 2021 are approved. Exhibit 4 provides a current list of total converted loans and associated balances.

Twenty Year "Conversion Window" Closing

The ability for Oakland Park and Dania Beach to convert the loans to grants has become increasingly difficult due to the NPV provisions in the ILAs and Loan Agreements. Since the provisions require the NPV calculation to start from 2006, the project value dollars available to convert are quickly decreasing to zero, and will reach that point by 2026.

Example: A new, private redevelopment project built in 2018. The NPV of an increased tax base for that project is measured from date project is placed on tax roll in 2018 to 2026. That results in only eight years of increased tax revenue from the project to the County, as part of the calculation.

Division staff was presented with this issue last year by Oakland Park during their most recent loan-to-grant conversion request. Ultimately, Oakland Park decided to cancel the conversion request in

March 2020, in pursuit of these changes to the Redevelopment Capital Program.

Subsequently on February 24, 2021, Oakland Park requested Broward County defer principal payments (\$133,812) for one year associated with three loans with payments due on March 31, 2021 (Exhibit 5). County Administration agreed to credit those principal payments toward a subsequent loan-to-grant conversion request.

If the motion is approved, the additional ten-year conversion period (2006-2036) would allow Oakland Park to convert a significant portion, if not all of their remaining loan balances to grants within the next two years. Staff anticipates converting the remaining Dania Beach loan to a grant by the summer of 2021.

It should be noted the six previous loans have been fully converted to grants in the cities of Lauderhill, Dania Beach and Oakland Park.

The Office of the County Attorney has reviewed and approved the Agreements as to form.

Source of Additional Information

Ralph Stone, Director, Housing Finance and Community Redevelopment Division, (954) 357-5320

Fiscal Impact

Fiscal Impact/Cost Summary

As a result of these amendments, potential income from principal and interest payments from RCP loans will be reduced in the future years as increased loan-to-grant conversions are processed.