

INDIAN RIVER COUNTY, FLORIDA

MEMORANDUM

TO: Jason E. Brown; County Administrator

THROUGH: Phillip J. Matson, AICP
Community Development Director

FROM: Bill Schutt, AICP
Chief, Long Range Planning

DATE: June 24, 2021

SUBJECT: Review of Proposed Request for Proposals for a Developer to Redevelop the Former Gifford Gardens Apartments Site with Housing that is Affordable

It is requested that the following information be given formal consideration by the Board of County Commissioners (BCC) at its regular meeting of July 13, 2021.

DESCRIPTION AND CONDITIONS

In December of 2018, the Indian River County BCC requested that its Affordable Housing Advisory Committee (AHAC) discuss, study, and review the affordable housing issue within the county and develop new recommendations to encourage the development of affordable housing.

On February 18, 2020, a list of fifteen (15) AHAC recommendations were presented to the BCC for consideration. At that meeting, the BCC voted to **approve twelve of the AHAC recommendations** and requested that the three remaining recommendations be referred back to the AHAC for further review with the County Attorney. The intent was for the County Attorney to provide guidance on any potential legal issues/challenges that would need to be addressed for the three remaining recommendations.

Since BCC action, the AHAC has been actively working on the list of approved recommendations and has obtained guidance from the County Attorney. One of the recommendations that the AHAC has been actively working on and that is ready for BCC action is the recommendation for **redevelopment of the former Gifford Gardens apartment complex** to have it re-developed for owner occupied housing or a mix of owner occupied and rental housing.

RFP for Redevelopment of the former Gifford Gardens Site

On August 26, 2020, the AHAC reviewed and considered recommending the County move forward with a draft Request For Proposals (RFP) for a developer to re-develop the former Gifford Gardens site (4730 40th Avenue) with single-family housing for households earning between 80% and 120% of Area Median Income. At that time, staff reviewed the fact that the draft RFP incorporated many project design suggestions from Gifford Community leaders and from

AHAC members, but that the RFP needed review and editing by other County departments (including Purchasing Division, Risk Management, and the County Attorney's office). Also, while the AHAC expressed their approval with the overall project design requirements contained in the RFP, there were still some outstanding issues with the property that needed to be addressed.

Since AHAC approval of the initial draft RFP, the Board of County Commissioners (BCC) considered a request from the County Utilities Department for removal of County Utility Liens and a request for direction/action on past due amounts for water and sewer Equivalent Residential Units associated with the previous fifty-five (55) multi-family residential units for the former Gifford Gardens Apartments. The BCC ultimately voted to remove the liens and convert the fifty-five (55) multi-family ERUs to twenty-two (22) single-family ERUs and remove charges associated with the 55 ERUs. This action was taken to make the property marketable to a prospective developer.

Also, since AHAC review of the initial draft RFP, the RFP was shared with various other county staff and stakeholders and comments were incorporated.

A more recent addition to the RFP approved by the BCC on May 18th 2021 is a new Gifford Gardens redevelopment financial incentive. **That incentive allocates \$350,000 of pandemic, American Rescue Plan (ARP) funding, to be used for design and infrastructure expenses for redevelopment of the former Gifford Gardens site.** The intent with this incentive is to help ensure developer participation and will allow scarce affordable housing resources to be freed up to pay for other affordable housing expenses.

At the June 23, 2021 AHAC meeting, the Committee reviewed and recommended approval to the BCC of the proposed updated Request for Proposals (RFP) for a developer to re-develop the former Gifford Gardens site located at 4730 40th Avenue, Vero Beach, FL 32967 with housing that is affordable.

At this time, it is requested that the BCC review the proposed RFP, provide feedback to staff for any proposed changes, allow staff to add any additional language to it and sections that may be required by the County Purchasing Division and the County Attorney's office, and direct staff to proceed with advertising the RFP (as may be modified).

ANALYSIS

The proposed RFP provides:

1. An overview of the desired outcome for the project;
2. General site information;
3. Site design requirements;
4. Development incentives;
5. Requirement for a developer's agreement;
6. Process for selecting a developer (selection committee with review criteria); and
7. Provides a format for providing a response to the RFP and the items that must be submitted for review (including contact information, budget, sample projects, proposed site concept, proposed housing plans and architectural renderings, proposed sales prices, proposed project

development time line, and proposed marketing plan).

The RFP incorporates recommendations from the AHAC and from Gifford Community leaders focusing on soliciting proposals from developers to construct owner occupied concrete block single family homes with a minimum of 3 bedrooms and 2 bathrooms on small or very small lots. Common areas, pools, recreation areas and community facilities are not required due to the availability of these services in the overall community and the relative small size of the overall parcel. Design of homes will incorporate universal design features to accommodate all ages and the RFP requires a variety of homes with variations in architecture and roof pitches and requires impact windows. A Home Owners Association is anticipated at minimal to no cost with the main purpose being to have an annual meeting and share information and expertise in home maintenance.

Purchasers of homes will need to have incomes between 80% of Area Median Income and 120% of Area Median Income. These are target income ranges that currently builders are not or are minimally building new housing for in Indian River County. The homes will have affordability restrictions for 10 years and have price points that the target household income range can afford with financing from a bank at a competitive fixed interest rate.

With respect to a timeline for advertisement for the RFP and submission of responses to the RFP, the following dates are proposed:

1. Advertise the RFP - July 26, 2021
2. Submission deadline – August 31, 2021

These are suggested dates and may need to change depending upon further review and approval by County staff and the BCC. A selection committee will be identified and approved by the County Administrator after formal advertisement of the RFP. The committee's final ranking of developers will subsequently be presented to the Board, with a request for authorization to negotiate with the top ranked developer.

Development Incentives

Based off of prior BCC action and pre-existing conditions, the primary incentives offered to the developer include:

- Free land;
- Pre-paid impact fees;
- Pre-paid water and sewer ERUs (22 single family homes); and
- \$350,000 grant from County American Rescue Plan (ARP) funds to be used towards design engineering cost and hard costs of development (road construction/installation, retention pond installation, site grading, water/sewer line installation) of the project – **this is a new program created/approved by the BCC on May 18, 2021.**

In addition, the County will also have staff available to expedite the project and provide technical guidance to the developer's engineer in understanding requirements and allowed waivers (if applicable).

To be eligible to apply, a developer will need at least 10 years of development experience, will need

to provide examples of completed projects, will need to have financing, and will have the ability to provide a construction bond.

Funding Summary

The item includes participation by developers to develop County owned property previously purchased for affordable housing purposes. This item also includes a \$350,000 incentive for infrastructure and engineering costs payable to the developer with American Rescue Plan (ARP) funds.

Recommendation

Staff and the AHAC recommends that the BCC review the proposed final Draft RFP and:

1. Provide any proposed changes to the RFP;
2. Allow any potential final edits to the RFP as may be recommended by various County review departments;
3. Direct staff to advertise the RFP (as may be modified).

Attachment

1. Proposed RFP for Redevelopment of Former Gifford Gardens Site