

INDIAN RIVER COUNTY, FLORIDA

MEMORANDUM

TO: Jason E. Brown; County Administrator

THROUGH: Phillip J. Matson, AICP
Community Development Director

FROM: John Stoll
Chief, Long Range Planning

DATE: August 3, 2022

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 August 16, 2022.

DESCRIPTION AND CONDITIONS

On July 13, 2021, the Board of County Commissioners (BCC) considered a presentation by staff concerning the redevelopment of the Gifford Gardens property located at 4730 40th Ave. At the meeting, the BCC also approved a Request for Proposals (RFP 2021014) to advertise the project for contractors/developers to bid on redevelopment of the site with affordable housing.

A significant list of redevelopment incentives were offered by the County to aide with the redevelopment of the site. These incentives included: donated land, impact fee credits and water and sewer capacity Equivalent Residential Unit (ERU) credits to cover impact fee and water/sewer capacity charges, and up to \$350,000 of additional funds through the County from the American Rescue Plan (ARP) act for design, engineering, and related development costs. Although significant incentives were offered in support of the project, only one proposal was received by the September 21, 2021 deadline.

Ultimately, the selection committee determined it would not recommend award to the sole proposer, as it was not in the public interest. On February 23, 2022, the Affordable Housing Advisory Committee (AHAC) met and considered the proposal received for the Gifford Gardens project. At the meeting, Committee members voiced concerns regarding ability of the proposer to market affordable houses to low-income families, and ultimately did not support the project for that reason.

At the April 12, 2022 BCC meeting, the Board rejected the proposal from East to West Development Corporation.

At the April 27, 2022 AHAC workshop, staff presented the Committee with several options and helped to facilitate a productive discussion regarding potential changes to a new RFP for redevelopment of the Gifford Gardens site. In summary, AHAC reaffirmed support for single-family homes that would be affordable for people in the community that could assist with the creation of generational wealth. Staff have incorporated feedback from AHAC into a revised RFP.

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

Proposed changes from the previous RFP are summarized below:

Purchasers of homes will need to have incomes at or below 80% of Area Median Income. The homes will have affordability restrictions for 10 years, and the targeted price point for a single-family home construction within this development should not exceed \$275,000. An additional \$150,000 of ARP funds will be added to the \$350,000 incentive to assist with engineering and design costs along with related site improvements. The additional \$150,000 in ARP funding will be transferred from the Non-Profit Housing Rehabilitation (RENO) program, which has a remaining balance of \$474,760.

The home design standards have now also been relaxed to allow for greater flexibility in building materials in order to encourage more creativity in building design that may reduce construction costs. Finally, the evaluation criteria has been adjusted to place greater value on Financial Feasibility and Community Compatibility.

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
- \$500,000 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.

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.

RECOMMENDATION

Staff 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. Authorize the transfer of \$150,000 in ARP funding (RENO Program) to the Gifford Gardens Project;
4. Direct staff to advertise the RFP (as may be modified).

ATTACHMENT

1. Proposed RFP for Redevelopment of Former Gifford Gardens Site