



Office of

Attorney's Matters 01/09/2024

**INDIAN RIVER COUNTY
ATTORNEY**

William K. DeBraal, County Attorney
Susan J. Prado, Deputy County Attorney
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MEMORANDUM

TO: Board of County Commissioners

FROM: William K. DeBraal, Deputy County Attorney

DATE: December 29, 2023

SUBJECT: Sale/Donation of Former Gifford Gardens Apartments Property to Indian River County Habitat for Humanity, Inc.

The Gifford Gardens property consisted of 55 individual apartments spread over six single-story and two-story buildings located at 4730 40th Avenue, Vero Beach, on 3.3 acres of property zoned RM-10, residential, multi-family, up to 10 units per acre. This is the highest density that currently exists in the unincorporated County. The development was built in 1970 and operated as a rental complex successfully for approximately 30 to 35 years until the buildings became rundown and uninhabitable. In 2009, neighboring property owners filed numerous complaints about the garbage, odors, and rodents seen in the abandoned buildings. In 2010, Health Department Inspectors, Building Inspectors, Fire Inspectors, and the Sheriff's Office conducted an in-depth inspection of the site due to numerous complaints of vandalism, drug use, and prostitution activity. The complex was in foreclosure at the time of the inspection. The inspection revealed the deteriorated condition of the units – no plumbing fixtures, exposed wiring with the electricity shut off to some buildings, missing air conditioners and wall unit heaters, and numerous broken windows and missing doors. Following the inspection, the Building Official declared the buildings unsafe and ordered them to be repaired or demolished. The then-owners conceded the cost of repairs would be more than the value of the buildings and did not contest the Building Official's demolition order. The Board ordered the buildings to be demolished in November 2010, and after public bids were received, all buildings were demolished in June 2011 at a cost of \$85,996.74, which was reduced to a lien that was attached to the property.

The vacant property acquired tax liens and utility liens until MACWCP II Corp. purchased it at a Tax Deed Sale in 2012 for the amount of unpaid taxes of \$84,900. As governmental liens such as utility and demolition liens survive a tax deed sale, those liens continue to be valid liens against the property. In September 2017, MACWCP sold the property to Leonard Green via a Quit Claim Deed for \$5,900. In 2019, the former Gifford Gardens parcel was considered a possible site for affordable housing. The site had several important advantages. The Board considered that some impact fees had been "grandfathered in" and would not have to be paid by a developer, thus reducing the cost to build a project. The Board also considered the advantages of purchasing the

property at an arm's length transaction rather than foreclosing on the existing Utility Liens. While purchasing the property obligated the County to pay the outstanding taxes and redeem the tax certificates, the County would have clear, fee-simple title to the property. The County, as owner, could place deed restrictions on the property to make sure its use is reserved for affordable housing. These restrictions would be binding on future owners. Accordingly, in 2020, the Board authorized the purchase of the property from Leonard Green for \$10,000.00 and paid the outstanding property taxes in the amount of \$9,632.27.

Since purchasing the property, the Board entertained two proposals for developing the property. In 2022, a firm experienced in affordable housing made a presentation to the Board and proposed the construction of single-family homes on the site at a cost of approximately \$350,000 per home. This price did not align with the Board's definition of affordable housing. In 2023, Indian River County Habitat for Humanity, Inc. (HFH) made a presentation proposing a subdivision consisting of single-family homes on the property using their homeownership program. The proposal included the donation of the property from the County to HFH. The Board accepted HFH's proposal, and HFH began the necessary planning, permitting, and engineering for the subdivision. The project is getting close to entering the land development stage, and HFH has requested the Board to donate the property at this time. Both the deed and the plat for the subdivision will contain language restricting the use of the property for the construction of affordable housing.

In 2021, the County received federal funds from the American Recovery Plan Act (ARPA) and earmarked \$500,000 for planning and construction of affordable housing. Following HFH presentation, the Board agreed to make the \$500,000 available to HFH for this project. Upon receipt of qualifying invoices from HFH, the County will reimburse HFH in accordance with the U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions. HFH acknowledges that completion of the project must occur before December 31, 2026 to satisfy ARPA funding requirements.

A copy of the Agreement to Purchase and Sell Real Estate and the Indian River County American Rescue Plan Agreement between HFH and the County are attached to this memorandum. If approved by the Board, the matter will proceed to closing within 45 days.

Funding: The County will pay some of the closing costs and title insurance, which are expected to be less than \$1,000. Funding is budgeted and available in General Fund/County Attorney/Legal Services, Account #00110214-033110.

Recommendation: Staff recommends that the Board approve the Agreement to Purchase and Sell Real Estate and the Indian River County American Rescue Plan Agreement with Indian River Habitat for Humanity and authorize the Chairman to execute the Agreement and the deed on behalf of the Board.

Attachments: Agreement to Purchase and Sell Real Estate
Indian River County American Rescue Plan Agreement
Scope of Work

Copies to: Doug Vitunac, Esq.
Trevor Loomis, President, Indian River County Habitat for Humanity, Inc.
Chris Balter, Chief, Long Range Planning