

MEMORANDUM

August 10, 2021

TO: Community Redevelopment Agency (CRA) Board

VIA: James Slaton, Executive Director

FROM: Mark J. Bennett, Development Services Director
Darrell G. Starling, CRA Coordinator

SUBJECT: Grove Manor Funding Request for the City of Lake Wales.

SYNOPSIS: *The purpose of this memorandum is to provide a recommendation of the Lake Wales Housing Authority funding request for a \$460,000 grant for the redevelopment of Phase II of Grove Manor.*

RECOMMENDATION

Staff recommends that the City approve the expenditure of \$460,000 for a grant to the Lake Wales Housing Authority for the redevelopment of Phase II of Grove Manor as part of the 2022 Florida Housing Finance Corporation (FHFC) application cycle, subject to the following requirements:

1. Authorize the Executive Director of the CRA to sign all the Local Government Verification of Contribution Form.
2. Authorize the Executive Director of the CRA to enter into a developer's agreement and that said agreement shall, at a minimum, include:
 - a. A reverter clause and project timeline
 - b. A clause requiring that redevelopment of the site comply with the provisions of the Lake Wales Connected Plan.
 - c. The grant terms and conditions.

These actions are contingent upon the Lake Wales Housing Authority receiving the 9% Tax Credit funding.

BACKGROUND

Listed below is a timeline on recent events.

In 2020, the Lake Wales Housing Authority (LWHA), in partnership with Smith & Henzy applied for the 9% Tax Credit with a pledged Local Government Contribution from the City for \$460,000. In the following spring, the Housing Authority was informed they were not selected for the 9% Tax Credit funding.

On July 13, 2021, the CRA Board approved the expenditure of \$1,000,000 to the Lake Wales Housing Authority for Phase I of the redevelopment of the Grove Manor property as part of the 2021 Florida Housing Finance Corporation (FHFC) application cycle. This Local Government contribution would be leveraged when the Housing Authority applies for the 4% SAIL Tax Credit.

If approved, this contribution will be leveraged with the 9% Low-Income Housing Tax Credit application from the Florida Housing Finance Corporation (FHFC). A Local Government Contribution will improve the chances for receiving Tax Credits.

LAKE WALES CONNECTED PLAN ACTION STEPS

Action #	Description
7	Support upgrades to Grove Manor public realms improvements
9	Partner with housing contractor to build infill housing in the Northwest Neighborhood.

FISCAL IMPACT

If approved, \$460,000 in CRA funds may be encumbered until FY 2023-2024 or FY 2024-2025, subject to approval of the Tax Credit Application by the Florida Housing Finance Corporation.

OTHER OPTIONS

To not approve the expenditure of \$460,000 to the Lake Wales Housing Authority for the redevelopment of the Grove Manor property

ATTACHMENTS

Local Government Verification of Contribution Form
Design Concepts for Dover Kohl
ROI Analysis