



# Hallandale Beach Community Redevelopment Agency

## Board of Directors Meeting

### Agenda Cover Memo

<b>Meeting Date:</b>	October 17, 2016	<b>Item Type:</b>	Resolution X	<b>Ordinance</b>	<b>Other</b>
<b>Fiscal Impact:</b>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b>	<b>1<sup>st</sup> Reading</b>	<b>2<sup>nd</sup> Reading</b>
	X		<b>Public Hearing:</b>	<b>Yes</b>	<b>No</b>
				X	X
<b>Funding Source:</b>	5910- 56500 Construction in Progress		<b>Advertising Requirement:</b>	<b>Yes</b> X	<b>No</b>
<b>Account Balance:</b>	\$517,284 (FY16-17)				
<b>Project Number:</b>	C1502		<b>RFP/RFQ/Bid Number:</b>	N/A	
<b>Contract/P.O. Required:</b>	<b>Yes</b>	<b>No</b>	<b>Strategic Priority (Enter X in box):</b>  <b>Capital Improvements</b> <input checked="" type="checkbox"/> <b>Goal 1 - Undertake Total Improvements of Public Realm</b> <input checked="" type="checkbox"/> <b>Goal 2 -Promote Public/Public and Public/Private Partnership</b> <input type="checkbox"/>  <b>Promote Projects with Large-Scale Impacts</b> <input type="checkbox"/> <b>Goal 1 – Issue a Request for Proposals (RFP) for NW infill Housing</b> <input type="checkbox"/> <b>Goal 2 – Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel</b> <input type="checkbox"/>  <b>Priority Area:</b> <b>North West Quadrant</b> <input checked="" type="checkbox"/> <b>FEC Corridor</b> <input type="checkbox"/> <b>Southwest Quadrant</b> <input type="checkbox"/> <b>Northeast Quadrant</b> <input type="checkbox"/> <b>Southeast Quadrant</b> <input type="checkbox"/>		
	X				
<b>Sponsor Name:</b>	Daniel A. Rosemond, HBCRA Executive Director		<b>Department:</b>	HBCRA	



### Short Title:

**A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE ADDENDUM NUMBER TWO TO THE DEVELOPMENT AGREEMENT WITH STUART AND SHELBY FOR THE CONSTRUCTION OF A NEW, SINGLE FAMILY HOUSE TO BE SOLD TO AN INCOME ELIGIBLE BUYER (AFFORDABLE HOUSING) AT THE CRA OWNED PROPERTY WITH FOLIO NO. 5142-21-09-0680 FOR AN AMOUNT NOT TO EXCEED \$207,245; AUTHORIZING THE EXECUTIVE DIRECTOR TO TERMINATE ADDENDUM NUMBER TWO TO DEVELOPMENT AGREEMENT IF STUART AND SHELBY FAILS TO MEET PERFORMANCE BENCHMARKS; AND PROVIDING AN EFFECTIVE DATE.**

### Staff Summary:

#### **Background:**

On November 17, 2014 the Hallandale Beach Community Redevelopment Agency (HBCRA) authorized the allocation of eleven (11) vacant lots to four different developers for the construction of new housing units to be sold as affordable housing opportunities to eligible buyers. The developers are:

- Stuart and Shelby
- Emerald Construction
- BAND
- Total Solutions

The Development Agreement(s) were also approved at the same meeting. Stuart and Shelby completed three units, which have been already sold; Emerald Construction built three units recently completed and currently undergoing the sales process; BAND is building two units, which are expected to be completed on October, and Total Solutions was assigned three parcels for construction but no activity took place. The HBCRA Board of Directors and Staff provided numerous and reasonable extensions to Total Solutions to begin the process to build the houses. All Developers were required to provide a bond to guarantee the construction of the units. Unfortunately, Total Solutions was able to meet the bond requirement for the construction of only one house. At that point, CRA staff assigned the two other parcels (originally assigned to Total Solutions) to Stuart and Shelby due to the excellent performance demonstrated during the construction of the three first units.

Total Solutions was to continue with the construction of one in-fill unit but at no point they submitted Minor Development application to the Planning and Zoning Division, and evidently no permit applications were submitted to the Building Division. CRA staff continually send email



communications and letters to Total Solutions to follow up on the initiation of the construction process. As a result of the inactivity of the Developer, CRA Staff sent on June 1, 2016 a certified letter and via email to Total Solutions regarding the termination of the Development Agreement for breach of contract due to failure to perform. The certified letter was returned to the CRA Office unclaimed (Exhibit 6). Therefore, this parcel is now available for the construction of a single family home.

The map below indicates the location of the subject property:



The table below indicates the summary for the cost proposal submitted by Total Solutions.

	Total Solutions
Unit Square Footage	1,564
Bedrooms/Bathrooms	3 Bed / 2-1/2 Bath
Total Cost	\$ 167,348.00
Cost per SF	\$ 107.00



400 South Federal Hwy  
Hallandale Beach, FL 33009

**Current Situation:**

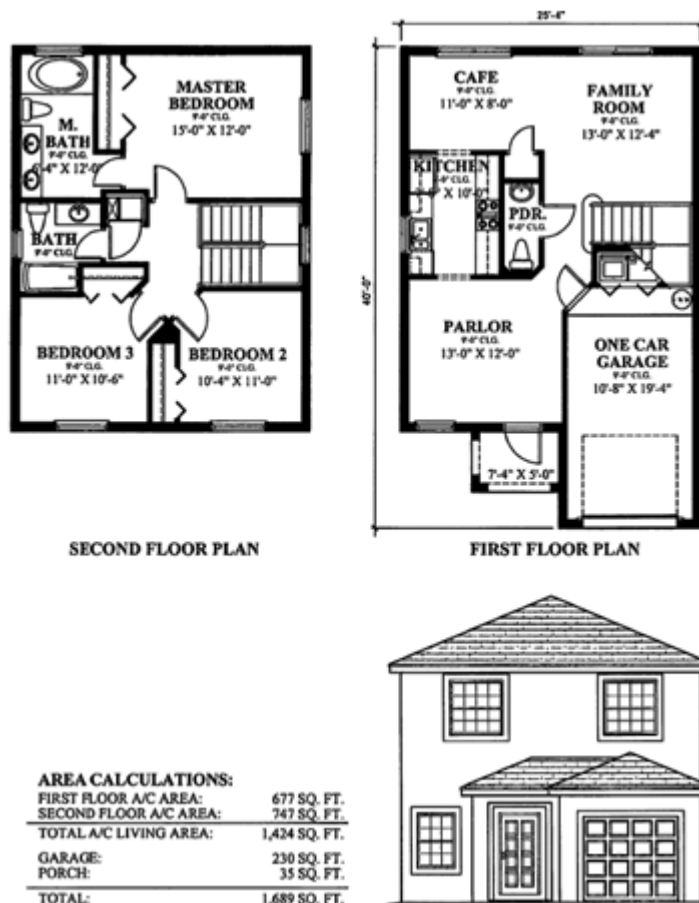
CRA staff requested to Stuart and Shelby to provide a proposal for the subject parcel. A two story model would be a more desirable floor plan given the shape and limited size of the parcel. Stuart and Shelby will be able to build the same model house already at 811 NW 4 Terrace (picture below).

**House front view:**





## Floor plan:



In regards to the Community Benefit Plan, Stuart and Shelby exceeded their commitment with the initial three units built, and they and are on track for the second set of houses. Emerald Construction exceeded their commitment. BAND has completed their commitment towards the local vendor utilization and are pending the 1% commitment towards the job training program.

CRA staff considers that Stuart and Shelby should be the selected company to build a single family unit at the subject location due to their outstanding performance during the in-fill housing project Phase I and II. During the Phase II of the project, Stuart and Shelby successfully built five homes. Quality of the construction is evident and they have demonstrated reliability, and communication with CRA staff and new homeowners have been outstanding. In the other hand, other developers presented some difficulties with the construction process. BAND encountered issues with their General Contractor, which delayed the construction several months and the HBCRA had to provide numerous extensions. Emerald Construction also presented numerous delays, building inspections were not requested in the proper order, green certifications are still in the process of being obtained even after CO's were issued, and many construction details needed to be corrected per the request of CRA staff.



**Analysis:**

Stuart and Shelby has committed 20% Community Benefit Plan for this project. Construction process is estimated to be completed 120 days after issuance of construction permit.

Below are the details for the construction proposal in the 3,942 SF vacant lot.

Stuart and Shelby Proposal	
Unit Square Footage	1,689
Bedrooms/Bathrooms	3 Bed / 2-1/2 Bath
Total Cost	\$207,245
Cost per SF	\$122.70

The cost for the construction of this unit are the same as for the home already built at 811 NW 4 Terrace, with the exception of fees for the School District review and other County fees, which had slight increases. They are however, higher than a one story house because this is a two-story residence.

**Fiscal Impact:**

The HBCRA will cover the cost of construction by Stuart and Shelby of the single family house for \$207,245.

**Why Action is Necessary:**

Pursuant to Article 4 of the HBCRA By-Laws, Section 4.3 (Purchasing Goods and Services), the HBCRA Board of Directors must approve by motion expenditures in excess of \$25,000.

**Proposed Action:**

The HBCRA Board of Directors authorize the Executive Director to negotiate and execute Addendum Number Two to Development Agreement with Stuart and Shelby for the construction of a single family house at the CRA owned property with Folio No. 5142-21-09-0680 for an amount not to exceed \$207,245; moreover, should the firm fail to meet performance benchmarks, the Executive Director shall be authorized to terminate Addendum Number Two to the Development Agreement.



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**Attachment(s):**

Exhibit 1 – Resolution

Exhibit 2 – Addendum Number Two to Development Agreement

Exhibit 3 – Schedule of Values

Exhibit 4 – Letter to Total Solutions dated June 1, 2016