

AFFORDABLE HOUSING REQUIREMENT

VILLAGE OF GULFSTREAM PARK

ORIGINAL DEVELOPMENT AGREEMENT - 2007

6. Contributions to Affordable Housing. Developer, as a measure of good will, has proposed to accelerate the first phase of affordable housing development (60 units, located off-site) irrespective of the timing of the first market rate residential development on the village at Gulfstream Park Project. The Commitment is contingent upon the following conditions:

1. A site of approximately 2 acres suitable to accommodate a minimum of 60 units is made available for development by the City, or conveyed to the Developer at a discounted cost to be negotiated at the time. Within six (6) months of signing the Development Agreement, the Developer will provide the City plans and a schedule for the Development of Affordable Housing. The land must be free of liens, environmental hazards and must be zoned with adequate density (and platted if necessary) as required to accommodate the contemplated development.
2. The City will work with the Developer to mitigate costs associated with the development of the Affordable Housing Project. The City will follow all Ordinances to achieve this.
3. The City shall agree to expedite and facilitate all required approvals.
4. The City shall agree to use commercially reasonable efforts to assist the Developer in order to seek applicable funding sources including but not limited to, grants, the First Time Homebuyer loans for residents, and the Community Workforce Housing Innovation Police Program (CWHIP).
5. The City Manager may, in the exercise of reasonable judgment, extend the scheduled completion of the affordable housing project in consideration of unforeseen delays or other circumstances affecting completion. The City Manager will notify the City Commission of any delays and provide sufficient justification as to the granting of the extension and why the delays occurred. Based upon the above conditions, the Developer will agree to construct the minimum 60 unit affordable housing development in accordance with the following schedule:
 - a. Substantial completion within three years of acquisition by the Developer of a site meeting the above conditions, provided that the three year period shall not commence until The Village at Gulfstream Park project has been approved and Developer commences construction of Phase I of the Project.



SUMMARY OF 2014

AMENDED AND RESTATED DEVELOPMENT AGREEMENT

8. Modifies the affordable housing commitment to allow payments to the City of Hallandale Beach as an option in lieu of constructing affordable housing units.

Modification to the affordable housing commitments were approved by the City Commission in December 2011 in the Amended Declaration of Restrictive Covenants for Affordable Housing. The original Covenants required construction of 225 affordable housing and/or workforce housing units, equivalent to 15% of the proposed 1500 residential units. A minimum of 75 affordable/workforce units were to be built on site. The approved amended Restrictive Covenants requires the developer to build the 225 affordable workforce units; however, the units may be built at the actual pace of construction.

Pursuant to the Amended Covenants the Developer has the option to build the affordable/workforce units or contributes a fixed amount of \$5,000 per required unit toward the City's affordable housing program. This amount is adjusted annually on January 1st of each year by the percent change in the Constant Quality Price Index of New Single Family Houses under Construction Base Year 2005 promulgated by U.S. Census Bureau but no more than a 5% increase.

TEXT OF AMENDED AND RESTATED AGREEMENT

16.

Construct or cause the construction of or provide funding for, as provided herein for "affordable housing" and/or "workforce housing" units (Affordable/Workforce Housing Units) within the City of Hallandale Beach and in accordance with the City of Hallandale Beach's applicable affordable and workforce housing regulations and procedures, the provision of which shall be equivalent to a minimum of 15% of the total number of residential units actually constructed on site, which shall be satisfied on a pro rata basis, as residential units are developed ("Commitment") The Commitment includes a low income housing contribution credit provision that:

- a. Developer shall have both a minimum obligation and an additional option to contribute a fixed amount toward City's Affordable/Workforce Housing program on a unit by unit basis, as adjusted annually on January 1 of each year by the percent change in the Constant Quality (Laspeyres) Price Index of New Single-Family Houses Under Construction Base Year = 2005 promulgated by the U.S. Census Bureau; provided, however, in the event of an annual increase, such adjustment shall be the lesser of the actual increase or five percent (5%).
- b. The fixed amount contribution is \$5,000 per required unit of affordable/workforce housing and is based upon \$750 per unit of total entitled housing ($\$750 \times 1,500$ residential units = \$1,125,000 and $\$1,125,000/225$ units = \$5,000/unit).
- c. Developer's contribution to City's affordable/workforce housing program shall serve to facilitate the creation of low income (i.e. 80% of area median income) housing in the neighborhoods within City and the funds received by City will be used for that purpose.
- d. In accordance with the schedule below, each \$5,000 payment shall represent one credit toward fulfilling Developer's affordable/workforce housing requirement.
- e. As each residential building is developed, the Developer shall at a minimum, pay an amount (to City's affordable housing fund) equal to 7½% of the units being constructed and such payment will serve to meet 7½% of Developer's affordable/workforce housing requirement based upon the total number of residential units being constructed. Thus, if

Developer constructs a 200 unit building, a payment of 15 units X \$5,000 will be made and Developer will be credited 15 units of affordable/workforce housing. For the additional 7½% required to meet the Developer's 15% affordable/workforce housing requirement, Developer may construct the equivalent number of affordable/workforce housing units or Developer may elect, at its sole option, to pay (to City's affordable housing fund) up to the equivalent 15% of the units constructed with each building (X \$5,000), and Developer shall receive the equivalent credit in satisfying the affordable/workforce housing requirement based upon the total units being constructed. In the example above, this would equate to an additional 15 units X \$5,000.

- f. Notwithstanding the foregoing option to construct affordable/workforce housing units, the Developer shall be required to satisfy the entire 15% affordable/workforce housing requirement for the first two (2) residential development increments by paying the fixed amount contribution of \$5,000.
- g. The sum total of the affordable/workforce housing units actually constructed and the total units credited as a function of the low income housing contribution credit shall not exceed 225.
- h. The restriction on affordable/workforce housing units and the responsibility to monitor and report same shall be in accordance with City's affordable/workforce housing program.

In the event of a conflict between this Ordinance and the Development Agreement, the terms and conditions of the Development Agreement shall control.

For the purpose of satisfying this condition, "affordable housing" units are as defined in Rule 9J-2.048, Florida Administrative Code and until such time as "workforce housing" is defined by legislation or ordinance, "workforce housing" units are defined as units priced so that a household earning an income between 120% and 140% of area median income will be able to afford rents and/or payments (inclusive of principal, interest, taxes and insurance) which will not exceed thirty percent (30%) of their gross annual income. Nothing shall preclude the Applicant of availing itself of any governmental or other applicable grant or assistance programs to satisfy this condition.

FROM STAFF REPORT FOR 182 UNIT TOWER

APPROVED IN 2014 (NEVER BUILT)

11. Affordable Housing

According to the Amended Affordable Housing Restrictive Covenants, the applicant is required to provide for 225 affordable/ workforce housing units, which is equivalent to 15% of the 1,500 residential units approved per the Development Order. Consistent with the Covenants that have been approved by the Broward County Commission and the City Commission, a contribution of \$5,000 per unit for 15% of the proposed units, is required, as shown below:

$$\begin{aligned} 15\% \text{ of } 182 \text{ residential units} &= 27.3 \text{ units} \\ 27.3 \text{ units} \times \$5,000 &= \$136,500 \end{aligned}$$

Based on the 182 units proposed, the applicant will be required to contribute \$136,500 to the City's affordable housing program. Such funds are to be used to facilitate the creation of low income (i.e. 80% of area median income) housing in the neighborhoods within the City.