



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	May 19, 2021		File No.	Item Type: <i>(Enter X in box)</i>	Resolution		Other	
			21-183		Click or tap here to enter text.		X	
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>		1st Reading N/A		2nd Reading N/A	
		X	Public Hearing: <i>(Enter X in box)</i>		Yes	No	Yes	No
				X				
Funding Source:	N/A		Advertising Requirement: <i>(Enter X in box)</i>		Yes		No	
							X	
Account Balance:			RFP/RFQ/Bid Number:		N/A			
Contract/P.O. Required: <i>(Enter X in box)</i>	Yes	No	Project Number:					
Redevelopment Goals: <i>(Enter X in box)</i> <p>Compact & Urban Development Projects</p> <p>Goal 1 – Catalytic projects that support the growth of local economy <input checked="" type="checkbox"/></p> <p>Goal 2 – Transit supportive Development <input type="checkbox"/></p> <p>Goal 3 – Neighborhood-level enhancements <input type="checkbox"/></p> <p>Improve Connectivity within community</p> <p>Goal 1 – Development of complete streets <input type="checkbox"/></p> <p>Goal 2 – Facilitate & Identify safe access to multiple modes of transportation <input type="checkbox"/></p> <p>Goal 3- Provide Strategic parking solutions <input type="checkbox"/></p> <p>Create CRA Resiliency</p> <p>Goal 1- Utilize innovative means to create sense of place to attract residents & visitors <input type="checkbox"/></p> <p>Goal 2- Use diverse architectural styles & messaging to create iconic buildings & destinations <input type="checkbox"/></p> <p>Goal 3- Prepare for sustainable future through smart technology, social & economic development Programs and environmental measures <input type="checkbox"/></p>								
Sponsor Name:		Dr. Jeremy Earle, Executive Director		Department:		HBCRA		

STAFF SUMMARY:

Background:

Peter Bluesten Park is located within the City's Central Regional Activity Center (RAC) which has been identified as a focus for redevelopment into a vibrant area. The park is also located within the City of Hallandale Beach's Community Redevelopment Area (HBCRA). The facility has been designed to not only serve the City, but also, to enhance the SE 1st Avenue Corridor and City Town Center as envisioned by the City's adopted Master Plan.

The Bluesten Park Project represents a significant public investment in this section of the HBCRA. Viewing this project as catalytic in nature, the HBCRA has explored options to leverage the public investment by expanding options for redevelopment in the immediate area.

In 2019 HBCRA Staff was approached by Mr. Lenny Wolfe, co-founder of the Cornerstone Group concerning a proposed project located at 118 SE 7th Street which is on the southern side of Bluesten Park. Cornerstone had planned to go after State of Florida Low Income Housing Tax Credits (LIHTC) for a then 84-unit project.

On October 21st, 2019, the HBCRA Board of Directors approved an incentive in the amount of \$783,250 for the Solaris project. This amount, however, was contingent upon Cornerstone being awarded the LIHTC from the State of Florida.

In July of 2020, HBCRA Executive Director Dr. Jeremy Earle, reached out to representatives from Solaris in order to find out if the project had been awarded the LIHTC. Dr. Earle was informed at that time that the project had not been awarded the funding from the State.

In October of 2020 Lenny Wolf from Cornerstone reached out to Dr. Earle once again and inquired if there was any way that the CRA could fund an approximate \$3 million dollar gap in financing for the project. At that time, as a way of supporting the project, Dr. Earle indicated that he would be willing to recommend that the HBCRA Board of Directors award an incentive to the Cornerstone for the Solaris project in an amount not to exceed \$1 million dollars. This would have represented an increase of \$215,000. One of the primary reasons for this, was that

the HBCRA had taken on new debt in the amount of \$20 million dollars, which will be used for massive infrastructure development throughout the CRA such as sidewalks, landscape, streetscapes, lighting and an arts trail throughout the City. Executive Director Earle wanted to ensure that the CRA in the future could adequately support its new debt payments, while also providing support to multiple projects throughout the CRA.

In November of last year, Keith Poliakoff, of the law firm Saul, Ewing, Arnstein & Lehr LLP. contacted the Executive Director on behalf of Cornerstone and requested that the HBCRA provide another \$1.2 million dollars of incentives in addition to the initial \$1 million that the Executive Director had originally stated that he could support based on CRA funding priorities. Cornerstone is therefore requesting a total of \$2,200,000 of CRA funds for the Solaris project.

Current Situation:

Executive Director Earle, was reticent on making any commitments for such a large sum of funding for a few reasons:

1. The HBCRA had just taken out \$20 million loan for the previously mentioned infrastructure project
2. The HBCRA was in the middle of its budget process and could not commit any further funds without proper analysis of its financial capability over the next few years
3. The HBCRA has other projects which have been approved by the HBCRA Board of Directors for large sums of funding, which have yet to break ground.
4. The HBCRA is being approached by other reputable developers as well for support for potential projects, and therefore wanted to be extremely careful in understanding its financial position so that it may be able to support multiple projects, which is prudent. A few of those developers were prepared to begin projects in the NW area of the CRA, which is in tremendous need for redevelopment and revitalization.

On Tuesday May 4th, 2021, after careful consideration of the HBCRA's financial position, Executive Director Earle, reached out to Mr. Poliakoff and informed him that the Solaris project would be placed on the May 19th, 2021 HBCRA Agenda for consideration by the HBCRA Board of Directors. If the HBCRA Board of Directors approves the Solaris projects, the HBCRA Executive Director, and the HBCRA Attorney will enter into negotiations with the developer in order to in order to create a Redevelopment Agreement. The Redevelopment Agreement will incorporate financial incentives and other terms such as Art in Public Places.

The Cornerstone Group is a Hollywood-based multi-family development firm that was established in 1993. Cornerstone has developed over 20,000 multi-family units in over 75 communities throughout the State of Florida. The firm has won numerous awards for its innovative designs as well as for its property management team that operates each of the properties they own.

The Cornerstone Group is proposing to build Solaris, a \$30,279,648, mixed income, 84-unit, 8 story, Green multi-family residential building on 1.86 acres located at 118 7th Street, adjacent to Bluesten Park.

The Solaris will have a fitness center, business center, media room and other amenities for its residents. The residents will also be able to avail themselves to the adjacent Bluesten Park and YMCA.

Solaris would maximize the number of tenants who currently reside in Hallandale Beach as well as service personnel such as police officers, fire fighters and teachers. Solaris is proposing to advertise on the City's website to actively market to city residents and employees when applications for the property become available.

The provision of affordable housing is one of the fundamental roles that any CRA can play. Florida Statute 163.350 states in part that CRA's are to create workable programs that will aid in providing "housing affordable to residents of low or moderate income, including the elderly, or to undertake such of the aforesaid activities or other feasible county or municipal activities as may be suitably employed to achieve the objectives of such workable program."

Recommendation:

HBCRA staff recommends authorizing the Executive Director to begin negotiations with Cornerstone Group and bring back to the Board a proposed development agreement for consideration and approval.

ATTACHMENT(S):

Exhibit 1- Project Information

Exhibit 2 - Project Renderings