

**AGENDA OF THE BOCA RATON HOUSING AUTHORITY**  
**MAY 2, 2022 SPECIAL BOARD MEETING**

The following is the agenda of the Special meeting of the Boca Raton Housing Authority to be held on Monday **May 2 , 2022 at 5:30 PM at 2333A W Glades Rd, Boca Raton, FL 33431**  
**Zoom info: Meeting ID: 861 2757 9292 Passcode: 980985**

**A. Roll Call**

Chairman Gary Richardson  
Vice-Chair Lanette Wright  
Commissioner Fabiola Bernier  
Commissioner Adel Hachmi  
Commissioner Angela McDonald  
Commissioner Kevin Rickard  
Commissioner Brian Stenberg

**B. New Business**

**Resolution 2022-21**            A Resolution of the Boca Raton Housing Authority Board of Commissioners Authorizing Revitalization of the Dixie Manor/Public Housing Property in Boca Raton, Florida in Accordance with the Master Development Agreement

**C. Public Comments**

**D. Correspondence and Miscellaneous**

None

**E. Adjournment**

Detailed information regarding this agenda is available for review at the Boca Raton Housing Authority office, located at 2333A West Glades Road, Boca Raton, FL 33431.

## RESOLUTION 2022-21

### A RESOLUTION AUTHORIZING REVITALIZATION OF THE DIXE MANOR/PUBLIC HOUSING PROPERTY IN BOCA RATON, FLORIDA IN ACCORDANCE WITH THE MASTER DEVELOPMENT AGREEMENT

*WHEREAS*, the Boca Raton Housing Authority (the "**Authority**") owns, operates and manages a public housing residential rental apartment complex located in the City of Boca Raton, Florida known as Dixie Manor (the "**Property**");

*WHEREAS*, the Authority issued a Request for Qualifications for Co-Developer on August 14, 2020 (the "**RFQ**") to select a co-developer for the revitalization of the Property (the "**Project**");

*WHEREAS*, the Authority received submissions in response to the RFQ which were evaluated and scored by the Authority;

*WHEREAS*, the Authority determined that Atlantic Pacific Communities, LLC ("**Atlantic Pacific**") was the highest-ranked respondent to the RFQ;

*WHEREAS*, the Authority successfully negotiated and subsequently entered into a Master Development Agreement ("**MDA**") with Atlantic Pacific for the Project;

*WHEREAS*, the Authority determined it to be in its best interest to engage a consultant to conduct a feasibility study for the Project considering the potential use of, among other financing sources, Federal low-income housing tax credits ("**LIHTC**") awarded by Florida Housing Finance Corporation ("**FHFC**");

*WHEREAS*, the Authority competitively selected TAG Associates, Inc. to conduct and present the results of the feasibility study to the Authority, a copy of which is attached hereto as Exhibit A; and

*WHEREAS*, based on the results of the feasibility study as presented to the Authority, which includes input from residents and other community stakeholders, the Authority desires to authorize Atlantic Pacific to apply for an award of LIHTC from FHFC for the Project in accordance with the terms of the MDA.

***NOW THEREFORE BE IT RESOLVED*** by the Board of Commissioners of the Authority:

**Section 1.** The foregoing "WHEREAS" clauses and the actions referenced therein are hereby ratified and confirmed as being true and correct and hereby incorporated herein.

**Section 2.** The Project is hereby approved in all respects.

**Section 3.** The preparation and submission of an application to FHFC for an award of LIHTC for the Project by the Authority and Atlantic Pacific pursuant to the MDA and any and all such actions taken in connection therewith are hereby approved in all respects.

**Section 4.** The Executive Director of the Authority, and such officers and employees of the Authority as the Executive Director shall designate, for and on behalf of the Authority (the "Proper Officers"), be and hereby are authorized and directed to (i) prepare and submit an application to FHFC for an award of LIHTC for the Project and to take such actions and execute and deliver on behalf of the Authority such documents, instruments, assignments, certificates, affidavits and agreements in the name of or on behalf of the Authority that may, in the reasonable discretion of such Proper Officer, be necessary, advisable or appropriate in connection with the application to FHFC for an award of LIHTC for the Project.

**Section 5.** The Proper Officers are hereby authorized and directed to take on behalf of the Authority all further actions, including making any filings or submissions necessary and paying any fees or costs associated therewith, that may, in the reasonable discretion of such Proper Officer, be necessary, advisable or appropriate to effectuate the intent of this Resolution and the consummation of the transactions and matters set forth herein.

**Section 6.** All lawful actions taken by the Executive Director or other officers, employees or commissioners of the Authority, and all lawful papers and documents executed by any of the foregoing on behalf of the Authority where such actions, papers or documents effectuate the intent of these resolutions and the consummation of the transactions and matters set forth herein be, and they hereby are, ratified, confirmed and approved.

***NOW THEREFORE***, be it resolved that after discussion of the foregoing Resolutions, Commissioner \_\_\_\_\_ moved that foregoing Resolutions be adopted as presented. Commissioner \_\_\_\_\_ seconded this motion. The question being put upon the final adoption of said Resolution, the roll was called and vote was as follows:

Chairman Gary Richardson	_____	Commissioner Kevin Rickard	_____
Vice-Chair Lanette Wright	_____	Commissioner Fabiola Bernier	_____
Commissioner Brian Stenberg	_____	Commissioner Angela McDonald	_____
Commissioner Adel Hachmi	_____		

**FEASIBILITY STUDY**

(Please See Attached.)

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## **Development Discussion and Feasibility Analysis of Dixie Manor**

*Bill Grindl and Jane Dixon – April 22, 2022*

### **Overview**

The Boca Raton Housing Authority (BRHA) has a Public Housing property that was built in 1941 as temporary war worker housing and is now known as Dixie Manor. This temporary housing is long past its expected useful life. The BRHA's provision of affordable housing, through these units, is a BRHA objective and the basis of its mission. To continue to fulfill its mission, the BRHA must find ways to maintain this property as affordable housing for the immediate and long term for low-income residents. The size of the site should allow for additional housing to be constructed if redevelopment is chosen as an option. This may need to be accomplished through multiple phases depending on the available funding. In addition to the existing housing, there is adequate space to build additional affordable housing through a second phase, which could be set aside for low-income households and work force, which might include workers making up to 80% of local Median Income (BRHA is not eligible for additional Public Housing subsidies of those units.). The immediate discussion is what is feasible for Dixie Manor in the immediate future.

The 81-year old units are beyond the end of their planned useful life. This type of war worker housing was built quickly and never intended to be used for an extended period of time. Updating the units is impractical and not cost effective as contemporary standards would be out of reach such as larger units, modern kitchens and baths, increased electrical capacity, internet connections, air conditioning, and energy efficiency. In addition, as the property is under HUD guidance it is not likely to be approved for rehabilitation due to the excessive physical and capital needs of the property.

**Current HUD financing:** A basic assumption based on 20+ years of Congressional under-funding is that HUD is unlikely to adequately fund the on-going maintenance and capital improvements of these units and therefore the BRHA must arrive at its own solutions for preserving its housing assets. A further assumption is that due to limitations on opportunities for funding and development capacity that the best approach is to develop a plan which addresses the on-going provision of low-income affordable housing.

The initial assumption is that all 95 existing units will be replaced. As with all projects of this type, the key component is finding the available funding for an affordable multi-family project. HUD has no development funds for this purpose so BRHA and its team must identify and procure all necessary funds. Typical sources include Federal Low-Income Housing Tax Credits (LIHTC), which are either competitive 9% credits or 4% credits with tax-exempt bonds, State funds such as State Apartment Incentive Loan program (SAIL) funds and other available local funds and contributions. These program funds would provide the bulk of the development funds which allows for the property to have the lower "affordable" rents. In addition, it is an option to provide that Public Housing subsidies or Project Based Vouchers could be applied to the development to provide rental subsidies for residents.

The final outcome of this feasibility analysis would be a development plan, which identifies the ideal combinations of potential funding, local support, available funding, and other factors. Based on the initial plan, the BRHA would be able to commence development activities such as participation in applying in upcoming Florida Housing or Local Government funding cycles and/or applications for any available funding such as 9% tax credits, SAIL or State or Local bonds with 4% tax credits, as appropriate. It is imperative to keep in mind that the overall redevelopment plan will need to be flexible. If a funding opportunity arises that changes the initial plan or the order of the development phases, such as a advantageous FHFC funding Request For Applications (RFA), then the plan would be modified to take advantage of the opportunities as they become available.

BRHA intends to provide all current residents in good standing the right to return to the revitalized community. It is typical for these developments to have multiple program/financing sources and multi-income units in the same development and occasionally some market rate units, if the need arises, to accommodate returning residents that may be above income for a typical tax credit property.

The feasibility process includes inputs from BRHA, residents, neighborhood stakeholders, the selected developer partner, Atlantic Pacific, TAG Associates, and Fox Rothschild.

The list of development options includes but may not be limited to:

Mixed Finance with some ACC (ACC is a Public Housing unit) and LIHTC (tax credit) -This HUD development approach keeps some of the units as Public Housing and the other units can be either Project Based Vouchers (PBV), Tax Credit only units, or a combination. There will also be tax credit only units which are typically 60% or less of the Area Median Income (AMI) .

Mixed Finance with all PBV and LIHTC -In this scenario all units are Project Based Voucher units and all units are also tax credit units.

Rental Assistance Demonstration (RAD) with or without PBVs -Under this program the property converts its ACC to Project Based Rental Assistance or Project Based Vouchers with the most significant difference being which department at HUD will oversee the property. This is a hybrid approach where the RAD Voucher rents are higher than ACC rents but are lower than regular Voucher rents

Voluntary Conversion – Under this approach the BRHA can convert all of its public housing to Vouchers which can then be site based to the property based on the residents’ decision to move or stay. This would likely be the Streamlined Conversion for Small Agencies. At the end of the development process, BRHA would close out its Public Housing program but would remain as the Voucher program manager and asset manager for the new development(s). This is a new and evolving process which is subject to change.

Phases could be a mix of different options for example one phase could be all PBV and another phase could be all LIHTC although the preference is usually to have mixed income in each phase.

The list of development funding includes but is not limited to:

LIHTC 9% credits - a highly competitive application but provides more debt free funding

LIHTC 4% credits with tax exempt bonds - non-competitive credits with less debt free program funding but still an option to consider.

SAIL which is paired with 4% credits and tax-exempt bonds – competitive but not as competitive as 9% LIHTC

Additional funds might include:

- AHP -Federal Home Loan Bank
- Local Contributions – City and County
- CDBG
- ARP
- HOME

Planning considerations:

- All residents in good standing will have the right to return.
- Regardless of the subsidy source, residents will continue to pay rents calculated as they presently are. Units without subsidy will have rents based on the AMI of the unit.
- All residents will receive Tenant Protection Vouchers for relocation and will be able to keep that Voucher or return to the new development. If a resident is above income for a LIHTC unit they may be able to utilize their voucher to move into a market rate unit in the development.
- All projects will require tax credit (LIHTC) funding as that is the only foreseeable source of funding for most affordable projects. These funds would be used for all development costs including construction and soft costs such as design and engineering.
- The project will require construction financing and then a permanent loan. The construction financing (which can be tax-exempt bonds) will be paid down with equity from the tax credits.
- RAD, ACC, and PBV can all provide rent subsidies to the units.
- To access the construction and permanent loans BRHA will need to dispose of the property to an entity of which BRHA will be a part of. BRHA will maintain control of the property through its role in ownership and/or through a long-term lease. The new housing will be affordable and will be required to remain affordable for at least 30 years but more typically 50 years depending on the financing.
- HUD relocation regulations will be followed as to resident rights and providing assistance for relocation to the residents.

Project feasibility

The project appears feasible for a complete development replacement with new affordable units and the potential for a future phase of workforce housing or additional affordable housing.

Going forward the initial project plan would be to demolish the property and replace it with at least an equal number of units. The core of the funding assumption will be based on an award of 4% or 9% tax credits. The forms of rental subsidies will be determined upon modelling financing structures based on available program funding but likely will include Project Based Vouchers because their higher rent levels increase cash flow and that will more adequately support permanent financing. The actual mix of subsidies will be tied to the planning process and the final source of funds. The final project must make financial sense to HUD, lenders, and investors and meeting that objective will be a goal of the planning process.

If this plan is accepted, the timeline would include submitting 2022 funding applications in the Florida Housing upcoming cycle. This will include identifying additional funds and potentially receiving a tax credit award in 2023 which would result in construction commencing in early 2024.

Recommendation: begin the planning for the upcoming Florida Housing RFAs by allowing the developer to start modelling different scenarios based on the available funding, the zoning and density of the site and prepare to submit applications in the upcoming funding cycle. Based on the residents' input they are looking forward to new housing on the site and they support the BRHA's concept plan to redevelop the site into a vibrant new development which will better serve their needs and the needs of the community.