

Richman Lake Worth LIHTC, LLC

303 Banyan Blvd. Suite 101 West Palm Beach, FL 33401

April 26, 2024

Ms. Betty Resch
Mayor
City of Lake Worth Beach

Re: Residences at Lake Worth

Dear Ms. Resch:

Please accept this letter as our formal application to request financial support utilizing the Lake Worth Beach Affordable/Workforce Housing Program in the following manner: Waiver of the \$444,195 City Sustainability Fee. The waiver of this fee is requested to help offset the high costs of developing The Residences at Lake Worth project as a fully affordable project serving residents with incomes ranging from 60% -100% AMI. If not for the requested support through the City's Affordable Housing Program, it would not be possible to complete the project and create 195 new affordable housing residential units within the City of Lake Worth Beach.

The subject property's site plan was approved on April 4th, 2023, with income restrictions on 15% (31) units out of the projects total 195 units. The income restrictions on the original zoning approval, restricted the 31 units with income set asides ranging from 60% AMI to 140% AMI. Since the site plan was originally approved, we have applied and been recommended for funding for Palm Beach County Bonds utilizing the County Workforce Housing RFP HED.HBLP 2024.4. The County funds awarded from the Workforce Housing RFP HED.HBLP 2024.4 will be allocated to only the 156 WFH Units that are restricted at 100% AMI. The County funded workforce units will carry with them a 50-year deed restriction ensuring the units sustained affordability. The original approval unit data table as well as new project data table encompassing the County WFH units are both provided as exhibits to this letter.

The Richman Group is requesting to utilize the City of Lake Worth Beach Affordable Housing Program to request relief from the City's Sustainability Fee on the project. As you can see on the provided exhibits, there are 8 additional units at the 60% AMI above what the City required for the site plan approval, and which are not able to use any of the County WFH funding. The additional affordable units consist of (6) one-bedroom units and (2) two-bedroom units. Using the City's Affordable Housing Program calculations, the potential incentive amount for these additional units equates to \$676,000, based on the 2024 AMI of \$104,000.

- For a one-bedroom dwelling unit, a one-time payment of \$60,000 or 75% of the area median income, whichever is greater. Using the 2024 AMI of \$104,000 multiplied by 75% equates to \$78,000 in possible incentives per one-bedroom unit. (\$78,000 x 6 units = \$468,000)

- For a two-bedroom dwelling unit, a one-time payment of \$80,000 or 100% of the area median income, whichever is greater. Using the 2024 AMI of \$104,000 multiplied by 75% equates to \$78,000 in possible incentives per two-bedroom unit. ($\$104,000 \times 75\% = \$78,000$)
- $\$468,000$ (6 one-bedroom units at \$78,000 each) + $\$208,000$ (2 two-bedroom units at \$104,000) units = $\$676,000$
- Total Potential Incentives utilizing the City Affordable Housing Program = $\$678,000$

We believe that our proposed project meets the Goals and Guiding Principles as spelled out in the City of Lake Worth Beach Affordable/Workforce Housing Program. Specifically, Residences at Lake Worth meets the below parameters:

- The award is calculated correctly, consistent with the density and unit size reductions that are allowed under the Affordable/Workforce Housing Program.
- The proposed income restrictions meet the intent of the Affordable/Workforce Housing Program.
- The proposed annual rents meet the intent of the Affordable/Workforce Housing Program.
- The proposed restrictive covenants to maintain affordability meet the intent of the Affordable/Workforce Housing Program.

The Residences at Lake Worth represents an amazing opportunity for The City of Lake Worth Beach and The Richman Group of Florida to be part of a truly transformational development opportunity by taking what was once a vacant blighted site and turning it into a true community asset that provides affordable housing for many years to come.

Sincerely



William T. Fabbri
Executive Vice President