



# LAKE WORTH BEACH COMMUNITY REDEVELOPMENT AGENCY

1121 Lucerne Avenue | Lake Worth Beach, Florida 33460-3346 | T: 561-493-2550

[www.lakeworthcra.org](http://www.lakeworthcra.org)

## MEMORANDUM

**TO:** Chair, Vice Chair and Members of the CRA Board

**FROM:** Joan C. Oliva, Executive Director 

**DATE:** July 9, 2024

**SUBJECT:** Approval of Local Government Verification and Financial Commitment for Madison Terrace – Phase 2

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### EXPLANATION:

The CRA has undertaken creating and partnering with other agencies and developers to provide affordable housing opportunities since 2010. Together with our partners, we have provided hundreds of affordable and workforce housing units in the District.

Last year, the CRA pledged support for a Low-Income Housing Tax Credit (LIHTC) project, located at South Dixie Highway and 8<sup>th</sup> Avenue South, called Madison Terrace (Exhibit “A”). This project, when complete, will contain 176 affordable units for seniors. All units will be offered to households making 80% of Average Median Income (AMI) or less. The CRA is providing the local match for Phase 1 of this project in the amount of \$640K. Phase I will include 91 units and Phase 2 will contain 85 units. Updated renderings, depicting Phases I and II are included for the Boards review (Exhibit “B”). The developer will also require a local contribution for Phase II and that request will be brought to the CRA Board next month.

To apply for the LIHTC funding, Madison Terrace will need the CRA to sign a verification letter, stating that the proposed development is supported by the goals of the CRA (Exhibit “C”). Goal one in the housing section of the CRA Redevelopment Plan reads, “Encourage home ownership and develop and market housing opportunities within the Redevelopment Area.” Staff is also requesting that the Board approve the local contribution in the amount of \$75K. Once the Board approves the funding, the required form (Exhibit “D”) will be forwarded to the City for the Mayor’s signature. If approved by the City, and the project is funded, the CRA will then need to enter into an Interlocal Agreement with the City of Lake Worth Beach for the funds transfer.

### RECOMMENDATION:

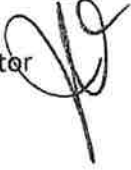
Staff is requesting the Board approve the Chair signing the LIHTC local government verification form and agree to a local CRA contribution of \$75K. Monies for the contribution will be budgeted in next year’s fiscal 24/25 housing budget in case the project receives LIHTC funding.

**LAKE WORTH BEACH COMMUNITY REDEVELOPMENT**

1121 Lucerne Avenue | Lake Worth Beach, Florida 33460-3346 | Phone: 561-470-2000  
www.lakeworthcra.org

**MEMORANDUM**

**TO:** Chair, Vice Chair and Members of the CRA Board

**FROM:** Joan C. Oliva, Executive Director 

**DATE:** November 8, 2022

**SUBJECT:** Approval of Local Government Commitment for Development of Affordable Housing at 821 South Dixie

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**EXPLANATION:**

Since 2010, the Lake Worth CRA, in cooperation with the City, has produced or helped produce hundreds of affordable housing units. The CRA and the Community Land Trust partnered to develop La Joya on Sixth Avenue South and South "F" St. In 2012 La Joya was built with the help of Low-Income Housing Tax Credits (LIHTC) (Exhibit "A"), federal dollars and CRA and County funding. La Joya is now owned by the West Palm Beach Housing Authority but continues to offer low-income apartments for households making 60% of AMI or less (Exhibit "B").

Low-Income Housing Tax Credits are difficult to attain, especially for projects with less than 100 units. Last week CRA Staff met with Michael Oliver from New South Residential. Their intention is to purchase private property on South Dixie including, 821, 818, 824, 826 and 832 and build an 80-90-unit LIHTC project for people 55 years of age or older (Exhibit "C"). The project would be called Madison Terrace. The site will only be purchased and the project possible if the developer receives the 9% credits. Before an application is made to the Florida Housing Finance Corporation (FHFC), a local commitment is required. CRA Staff is requesting the CRA fund the local match to allow for the project to move through the process and be eligible for an allocation. This requires the CRA to give a grant or loan to New South Residential in the amount of \$640K. Information about developer and project are attached as Exhibit "D." Staff suggest the CRA consider awarding a forgivable loan and signing any necessary paperwork so the application can be submitted by the December deadline.

If the tax credits are granted, New South would go through the City process of applying for a Planned Development, at which time, design, height and density will be decided. As a reminder, this fiscal year, the CRA and City, allocated approximately \$3.8M in funding for the provision of affordable housing. This project is one of several that can help the City and CRA deliver much needed housing in an area of the City that also needs redevelopment.

**REQUEST:**

Staff recommends the Board authorize funds, in the form of a forgivable loan, to the LIHTC project to be located at 821 South Dixie in support of New South Residentials 55+, affordable project.

## Exhibit "A"



**Congressional  
Research Service**

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# An Introduction to the Low-Income Housing Tax Credit

Updated June 23, 2022

Congressional Research Service

<https://crsreports.congress.gov>

RS22389



## **An Introduction to the Low-Income Housing Tax Credit**

RS22389

June 23, 2022

**Mark P. Keightley**  
Specialist in Economics

The low-income housing tax credit (LIHTC) program is the federal government's primary policy tool for encouraging the development and rehabilitation of affordable rental housing. The program awards developers federal tax credits to offset construction costs in exchange for agreeing to reserve a certain fraction of units that are rent-restricted for lower-income households. The credits are claimed over a 10-year period. Developers need upfront financing to complete construction so they will usually sell their tax credits to outside investors (mostly financial institutions) in exchange for equity financing. The equity reduces the financing developers would otherwise have to secure and allows tax credit properties to offer more affordable rents. The LIHTC is estimated to cost the federal government an average of approximately \$10.9 billion annually.

In May 2022, the Biden Administration released a plan to address rising housing costs by encouraging an expansion of the housing supply. The plan calls for adopting proposed expansions of the LIHTC program that were included in various iterations of the Build Back Better Act (BBBA; H.R. 5376), and adopting a modification in the President's FY2023 Budget proposal that would allow for an increased LIHTC subsidy for certain developments financed with tax-exempt bonds. A number of the proposals in the BBBA and the modification in the President's FY2023 Budget proposal are similar or related to proposals contained in the Affordable Housing Credit Improvement Act of 2021 (S. 1136/H.R. 2573). The Affordable Housing Credit Improvement Act of 2021 includes a broader set of changes to the LIHTC program. A previous version of that bill was introduced in the 116<sup>th</sup> Congress.

The most recent legislative changes to the LIHTC program were included in the Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted as Division EE of the Consolidated Appropriations Act, 2021 (P.L. 116-260), which set a minimum credit (or "floor") of 4% for the housing tax credit typically used for the rehabilitation of affordable housing. The Joint Committee on Taxation (JCT) estimates this change will reduce federal revenues by \$5.8 billion between FY2021 and FY2030. This change is permanent.

Division EE of P.L. 116-260 also increased, for calendar years 2021 and 2022, the credit allocation authority for buildings located in any qualified disaster zone, defined as that portion of any qualified disaster area which was determined by the President during the period beginning on January 1, 2020, and ending on the date which is 60 days from enactment of P.L. 116-260. For 2021, the increase was equal to the lesser of \$3.50 multiplied by the population residing in a qualified disaster zone, and 65% of the state's overall credit allocation authority for calendar year 2020. For 2022, the increase is equal to any unused increased credit allocation authority from 2021 (i.e., 2021 increased credit allocation authority may be carried over to 2022). Buildings impacted by this provision will also be granted a one-year extension of the placed in service deadline and the so-called 10% test. The JCT estimates these changes will reduce federal revenues by \$887 million between FY2021 and FY2030.

Note: The general hold harmless provisions of IRC Section 142(d)(2)(E) mean that projects with at least one building placed in service on or before the end of the 45-day transition period for newly-released limits use whichever limits are greater, the current-year limits or the limits in use the preceding year

**2022 Income Limits and Rent Limits**  
**Florida Housing Finance Corporation**  
**Multifamily Rental Programs and CWHIP Homeownership Program**  
**NOTE: Does not pertain to CDBG-DR, HHRP, HOME, NHTF or SHIP**

HUD release: 4/18/2022  
 Effective: 4/18/2022  
 Implement on/before: 6/1/2022  
 FHFC Posted: 4/25/2022

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
		1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
Palm Beach County (West Palm Beach- Boca Raton HMF-A)	20%	12,880	14,720	16,560	18,400	19,880	21,360	22,820	24,300	25,760	27,232	322	345	414	478	534	589
	25%	16,100	18,400	20,700	23,000	24,850	26,700	28,525	30,375	32,200	34,040	402	431	517	598	667	736
	28%	18,032	20,608	23,184	25,760	27,832	29,904	31,948	34,020	36,064	38,125	450	483	579	669	747	824
	30%	19,320	22,080	24,840	27,600	29,820	32,040	34,230	36,450	38,640	40,848	483	517	621	717	801	883
	33%	21,252	24,288	27,324	30,360	32,802	35,244	37,653	40,095	42,504	44,933	531	569	683	789	881	971
	35%	22,540	25,760	28,980	32,200	34,790	37,360	39,935	42,525	45,080	47,656	563	603	724	837	934	1,030
	40%	25,760	29,440	33,120	36,800	39,760	42,720	45,640	48,600	51,520	54,464	644	690	828	957	1,068	1,178
	45%	28,980	33,120	37,260	41,400	44,730	48,060	51,345	54,675	57,960	61,272	724	776	931	1,076	1,201	1,325
	50%	32,200	36,800	41,400	46,000	49,700	53,400	57,050	60,750	64,500	68,080	805	862	1,035	1,196	1,335	1,472
	60%	38,640	44,160	49,680	55,200	59,640	64,080	68,460	72,900	77,280	81,696	966	1,035	1,242	1,435	1,602	1,767
70%	45,080	51,520	57,960	64,400	69,580	74,760	79,870	85,050	90,160	95,312	1,127	1,207	1,449	1,674	1,869	2,061	
80%	51,520	58,880	66,240	73,600	79,520	85,440	91,280	97,200	103,040	108,928	1,288	1,380	1,656	1,914	2,136	2,356	
120%	77,280	88,320	99,360	110,400	119,280	128,160	136,920	145,800	154,560	163,392	2,192	2,070	2,484	2,871	3,204	3,534	
140%	90,160	103,040	115,920	128,800	139,160	149,520	159,740	170,100	180,320	190,624	2,254	2,415	2,898	3,349	3,738	4,123	
Median: 90,300																	
HERA Special Limits per Section 142(d)(2)(E) (Est. 2021) For use by projects that placed in service at least one building on or before 12/31/2008	25% - HS	16,575	18,950	21,325	23,675	25,575	27,475	29,375	31,275	33,145	35,039	414	444	533	615	686	758
	28% - HS	18,564	21,224	23,884	26,516	28,644	30,772	32,900	35,028	37,122	39,244	464	497	597	689	769	849
	30% - HS	19,890	22,740	25,590	28,410	30,690	32,970	35,250	37,530	39,774	42,047	497	532	639	738	824	909
	33% - HS	21,879	25,014	28,149	31,251	33,759	36,267	38,775	41,283	43,751	46,251	546	586	703	812	906	1,000
	35% - HS	23,205	26,530	29,855	33,145	35,805	38,465	41,125	43,785	46,403	49,055	580	621	746	861	961	1,061
	40% - HS	26,520	30,320	34,120	37,880	40,920	43,980	47,000	50,040	53,032	56,062	663	710	853	985	1,099	1,213
	45% - HS	29,835	34,110	38,385	42,615	46,035	49,455	52,875	56,295	59,661	63,070	745	799	959	1,108	1,236	1,364
	50% - HS	33,150	37,900	42,650	47,350	51,150	54,950	58,750	62,550	66,290	70,078	828	888	1,066	1,231	1,373	1,516
	60% - HS	39,780	45,480	51,180	56,820	61,380	65,940	70,500	75,060	79,548	84,094	994	1,065	1,279	1,477	1,648	1,819
	140% - HS	92,820	106,120	119,420	132,580	143,220	153,860	164,500	175,140	185,612	196,218	2,320	2,486	2,985	3,447	3,846	4,245

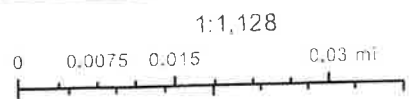
Florida Housing Finance Corporation (FHFC) income and rent limits are based upon figures provided by the United States Department of Housing and Urban Development (HUD) and are subject to change. Updated schedules will be provided when changes occur.

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Exhibit "c"



November 2, 2022



# Exhibit "D"

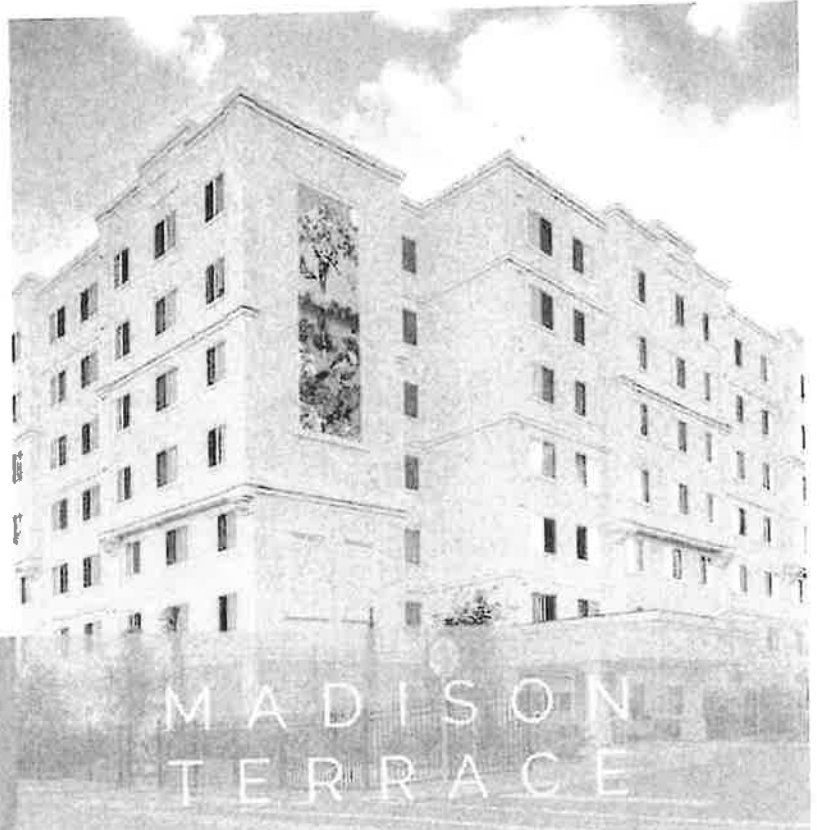


AMERICAN  
RESIDENTIAL  
COMMUNITIES



NEW  
SOUTH  
RESIDENTIAL

358 West New England Avenue, Suite 210  
Winter Park, FL 32789



MADISON  
TERRACE



## **ABOUT US**

We are a Florida based residential development company focused on providing quality affordable housing to the elderly and family demographic. Over the past 20 years, we have developed nearly 2,600 affordable senior and family apartments throughout Florida, Georgia and Texas. The overall portfolio includes over \$400 million worth of low-income tax credit multi-family housing.





Our intention is to incorporate five parcels of land for a total area of 1.62 acres.

• 821 South Dixie Hwy	Parcel ID 38-43-44-21-15-253-0110	0.9298 ac
• 818 South H St	Parcel ID 38-43-44-21-15-253-0040	0.3099 ac
• 824 South H St	Parcel ID 38-43-44-21-15-253-0032	0.0689 ac
• 826 South H St	Parcel ID 38-43-44-21-15-253-0020	0.1550 ac
• 832 South H St	Parcel ID 38-43-44-21-15-253-0010	0.1550 ac

**Total Area 1.62 acres**



RECENT DEVELOPMENT  
HISTORY



### **LOCATION**

1250 N Marion St. Downtown Tampa

### **PROJECT DETAILS**

Demographic - Elderly

Unit Count - 80

Construction - 7 Story High Rise, Post Tension Concrete

Construction Duration - 12 Months

### **FUNDING SOURCES**

9% Low Income Housing Tax Credits

Mortgage from Wells Fargo

Grant from City of Tampa



#### **LOCATION**

380 S MLK Jr Avenue, Downtown Clearwater

#### **PROJECT DETAILS**

Demographic - Elderly

Unit Count - 80

Construction - 7 Story High Rise, Post Tension Concrete

Construction Duration - 14 Months

#### **FUNDING SOURCES**

9% Low Income Housing Tax Credits

Mortgage from Wells Fargo

Grant from City of Clearwater



MADISON LANDING PHASE I  
ORLANDO 2021

#### **LOCATION**

5800 S Rio Grande Avenue, Orlando

#### **PROJECT DETAILS**

Demographic - Elderly

Unit Count - 110

Construction - 7 Story High Rise, Post Tension Concrete

Construction Duration - 14 Months

#### **FUNDING SOURCES**

9% Low Income Housing Tax Credits

Mortgage from Wells Fargo

Loan from Orange County



**LOCATION**

3400 Progress Ln, St. Cloud

**PROJECT DETAILS**

Demographic - Elderly  
Unit Count - 80  
Construction - 7 Story High Rise, Post Tension Concrete

**FUNDING SOURCES**

9% Low Income Housing Tax Credits  
Mortgage from Wells Fargo  
Loan from City of St. Cloud



### LOCATION

Near intersection of NW 35<sup>th</sup> St & NW 27<sup>th</sup> Ave, Ocala

### PROJECT DETAILS

Demographic - Family

Unit Count - 96

Construction - 3 Story Garden Apartments

### FUNDING SOURCES

9% Low Income Housing Tax Credits

Mortgage from Wells Fargo

Loan from City of Ocala

OCALA

PROPOSED PROJECT  
MADISON TERRACE



# MADISON TERRACE PROJECT HIGHLIGHTS

## FUNDING TYPE

9% Low Income Housing  
Tax Credits

## DEMOGRAPHIC

Elderly with Age Restricted  
to Residents ages 55 or  
older

## QUANTITY OF UNITS

88 Units

## BUILDING TYPE

Mid-Rise 6-Story  
Post Tension Concrete



## AFFORDABLE RENTS

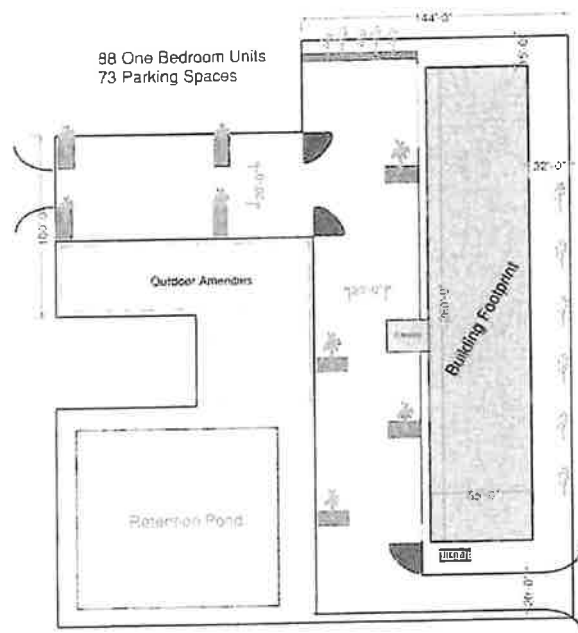
Proposed Unit Mix & Sizes: 1 Bed / 1 Bath - 88 Units (550 SF)

Set Aside Period: 50 Years  
Set Aside Levels: 10% of the Units at 28% AMI  
90% of the Units at 60% AMI

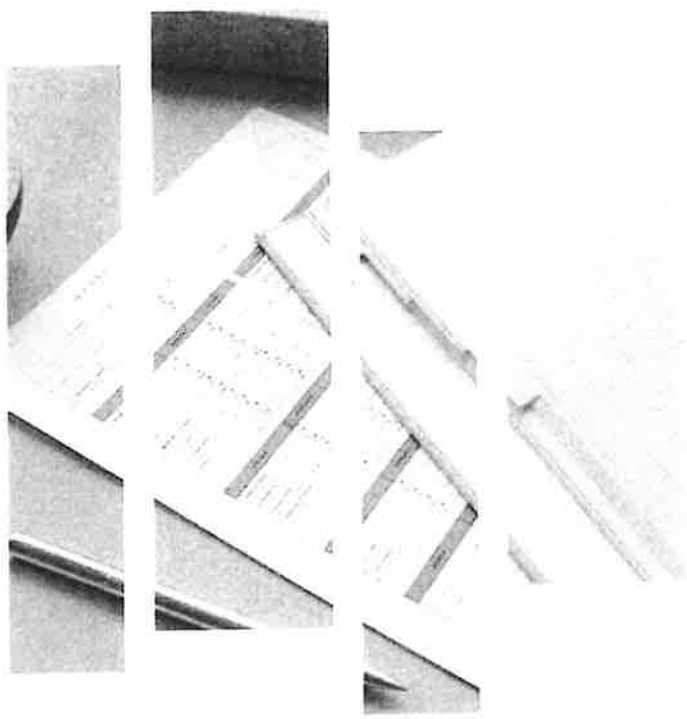
Proposed 2022 Rents (Per HUD)

0 Bed / 1 Bath (28% AMI):	\$450
0 Bed / 1 Bath (60% AMI):	\$956
1 Bed / 1 Bath (28% AMI):	\$483
1 Bed / 1 Bath (60% AMI):	\$1,035

\* 50% of the units at 28% AMI will be reserved for people with special needs.



SITE PLAN MADISON TERRACE



## DEVELOPMENT COSTS AND FHFC REQUIREMENTS

LAND \$2,600,000  
CONSTRUCTION \$18,200,000  
TOTAL DEVELOPMENT \$20,800,000

Florida Housing Finance Corporation (FHFC) will require applicants to secure either a loan or grant from a local government in the amount of \$640,000. This amount represents the minimum dollar amount required to qualify for the Local Government Area of Opportunity funding goal as it pertains to mid-rise concrete developments.

We are requesting \$640,000 loan or grant from the Lake Worth Beach CRA.

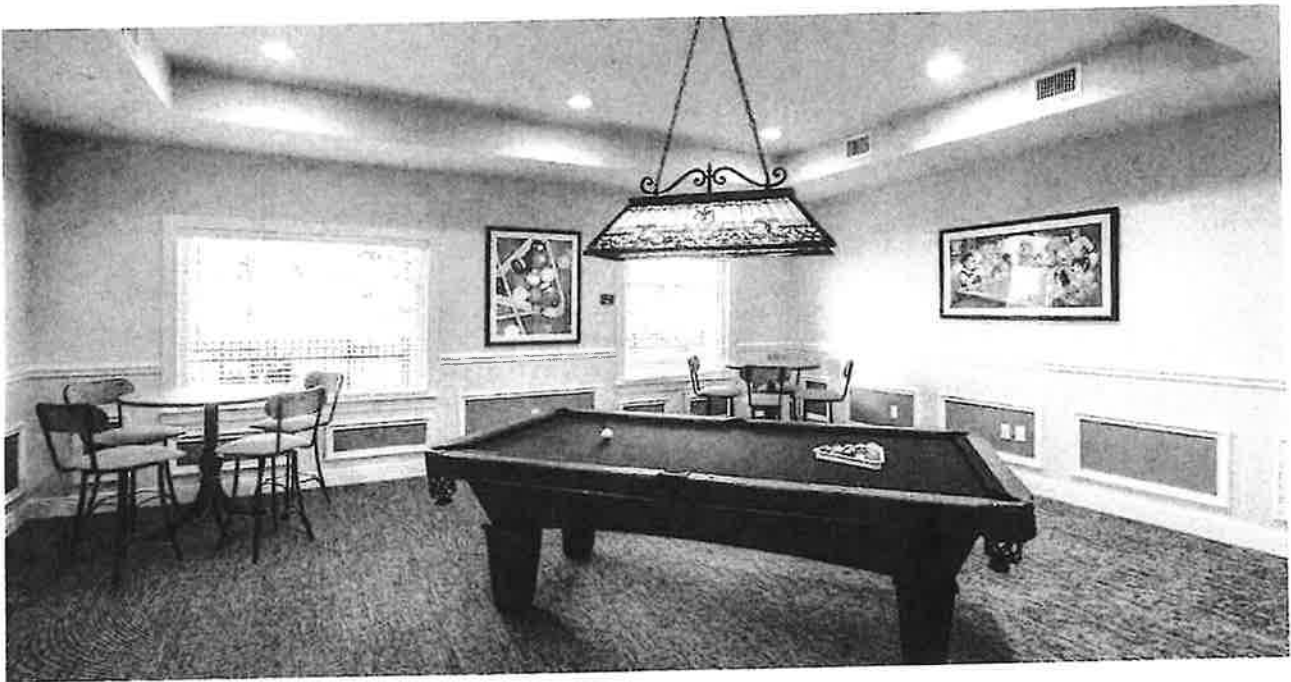
## GALLERY



GRAND PARLOR



ACTIVITY ROOM



BILLIARDS ROOM



GAME ROOM





**Madison Terrace Renderings**

**EXHIBIT "B"**



# Exhibit "C"

## FLORIDA HOUSING FINANCE CORPORATION LOCAL GOVERNMENT VERIFICATION THAT DEVELOPMENT IS PART OF A LOCAL REVITALIZATION PLAN

Name of Development: Madison Terrace II

Development Location: 821 S. Dixie Hwy, Lake Worth Beach, FL 33460  
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The above referenced Development is within the legal boundaries of a local revitalization plan, adopted on \_\_\_\_\_ by the appointed or elected body of the general local government with the authority to regulate the use of the subject site, or an instrumentality thereof (e.g., City, County, Community Redevelopment Agency). Such plans may be in the form of a community redevelopment plan, as outlined in Section 163.362, F.S., or another type of neighborhood plan formally adopted by one of the entities above or adopted into a larger local planning framework, but that at a minimum provides the following standards:

- Contains a written description of streets and/or established landmarks, or a legal description of the boundaries of the local revitalization area and the reasons for establishing such boundaries shown in the plan.
- Shows by diagram or in general terms the street layouts; proposed use of buildings; the approximate number of dwelling units; and property intended for use as public parks, recreation areas, streets, public utilities and public improvements of any nature.
- Includes public and private sector (other than the Applicant) investment and/or involvement in the designated area.
- Contains safeguards that the work of revitalization will be carried out pursuant to the plan.
- Provide assurances that there will be replacement housing for the relocation of persons temporarily or permanently displaced from housing facilities within the planning area.
- Describes actions taken by the below local government that have or will lead to broader economic investment in the area.
- Describes the public involvement process leading to the adoption of the final plan.

### CERTIFICATION

I certify that the foregoing information is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Name of Local Government

\_\_\_\_\_  
Print or Type Title

\_\_\_\_\_  
Name of Plan/Initiative

\_\_\_\_\_  
Date this form was signed

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager/Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. Other signatories are not acceptable.

FLORIDA HOUSING FINANCE CORPORATION  
LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION – GRANT FORM

Name of Development: Madison Terrace II

Development Location: 821 S. Dixie Hwy, Lake Worth Beach, FL 33460  
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City County of Lake Worth Beach commits \$ 75,000.00 as a grant to the Applicant for its use solely for assisting the proposed Development referenced above. The City/County does not expect to be repaid or reimbursed by the Applicant, or any other entity, provided the funds are expended solely for the Development referenced above. No consideration or promise of consideration has been given with respect to the grant. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this grant must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

The source of the grant is: \_\_\_\_\_  
(e.g., SHIP, HOME, CDBG)

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Print or Type Name  
\_\_\_\_\_  
Print or Type Title  
\_\_\_\_\_  
Date Signed

NOTE TO LOCAL GOVERNMENT OFFICIAL: Additional information is set forth in the applicable Request for Application under which the Applicant is applying for funding for the above referenced Development.

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager/Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or Local Government funds initially obtained by or derived from a Local Government that is directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization (CHDO). Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. The amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If there are alterations made to this form that change the meaning of the form, the form will not be accepted.