



# City of Bradenton, Florida

## City Council Agenda Memorandum

<b>Agenda Item:</b>	CCRA : Lincoln Village / Request to move forward with RFA 17-102. Tax credit application through Florida Housing.	<b>Agenda Date:</b>	January 11, 2017
<b>Originated by:</b>	Jesus Nino	<b>Agenda Placement:</b>	CRA : CCRA
<b>Authorized by:</b>	Carl Callahan		
<b>Explanation</b>	As discussed in the workshop of January 4, 2017 we have the opportunity to move forward with a tax credit application (RFA 17 - 102) for the property and development known as Lincoln Village. This is not a lottery based application , more subjective , based on merits and consistency with overall revitalization plan. Brian Evjen and Norstar would like to pursue this opportunity . Application would be due February 23, 2017. CCRA would be involved in helping to form the narrative prior to submission.		
<b>Financial Impact</b>	No additional cost to the City or the CCRA		
<b>Requested action to be taken by Council</b>	Authorize Norstar to proceed with application and execute necessary documentation consistent with previous application.		
<b>Staff Recommendation</b>	Approval		
<b>Attachments</b>	Memos from Brian Evjen / Norstar Development		

## Carl Callahan

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**From:** Brian Evjen <bevjen@norstarus.com>  
**Sent:** Thursday, December 15, 2016 11:51 AM  
**To:** Jesus Nino (jesus@bradentonccra.com); Carl Callahan; Kwaku George  
**Subject:** Lincoln Village update

Jesus, Carl, and KC,

I want to share a couple of updates on Lincoln Village. First, as I stated in a voice mail to Jesus earlier today, we drew lottery #70 out of 137 applications in the Small-Medium County Geo RFA (RFA 2016-110). This is too far down the list to receive an award based on the available funding in this RFA, so it means Lincoln Village will not be funded. This is the luck of the draw, and in this case our luck was not good.

We participated in a Florida Housing workshop for the Revitalization RFA (RFA 2017-102) this past Tuesday, and we believe Lincoln Village is a good candidate for this RFA. This is primarily because Florida Housing is offering \$2 million of SAIL funding for family projects only. They're also offering a point incentive for including market rate units, which will help the operating income. We are still working on the preliminary development budget, but so far it looks like there will be a smaller funding gap in this budget due to the availability of the SAIL funding

The CCRA will have no additional financial responsibilities for this application because we have already secured the necessary zoning and land use approvals, and based on the above it looks like we can defer a much smaller portion of the developer fees (for both the CCRA and Norstar). We would submit the same project – 50 units of family housing with roughly the same total development cost. The one difference would be the inclusion of market rate units.

As for the City's financial responsibilities, there is no local government contribution required in this RFA so the City should not need to commit any funding to the deal.

We will need to work alongside Jesus and his team to craft the narrative responses that describe a local government initiative or community redevelopment plan (CCRA Master Plan), show the local government investment to further the plan, and demonstrate the outcomes to date. We will also need to demonstrate how Lincoln Village is aligned with the CCRA Master Plan.

Florida Housing will issue the RFA Jan 20<sup>th</sup> and applications are due Feb 23<sup>rd</sup>.

I will send draft development and operating budgets for your review by early next week, and we can discuss after that.

Please let me know ASAP if you would like to proceed with an application, and Jesus, I will need to coordinate some time with you to determine the best way to pull together all the information we will need to craft our response.

Thank you,  
Brian

**Brian Evjen | Director of Development**  
Norstar Development USA, LP  
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## Carl Callahan

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**From:** Kwaku George <KCGeorge@ndconline.org>  
**Sent:** Tuesday, December 13, 2016 10:01 AM  
**To:** Carl Callahan  
**Cc:** Harold Byrd Jr.  
**Subject:** RE: Revitalization RFA

I agree with this as a back up plan too.

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**From:** Carl Callahan [mailto:Carl.Callahan@cityofbradenton.com]  
**Sent:** Monday, December 12, 2016 10:28 AM  
**To:** Kwaku George <KCGeorge@ndconline.org>  
**Cc:** Harold Byrd Jr. <Harold.Byrd@cityofbradenton.com>  
**Subject:** RE: Revitalization RFA

George: This sounds like a great backup plan. I also believe that Lincoln Village is a better opportunity. I still have reservations about eliminating the 2 homes to make Bryant Commons suitable for redevelopment. I would hope that future plans would call for redevelopment on the vacant land only. Thanks

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**From:** Kwaku George [mailto:KCGeorge@ndconline.org]  
**Sent:** Monday, December 05, 2016 4:41 PM  
**To:** Brian Evjen; Carl Callahan; Jesus Nino (jesus@bradentonccra.com)  
**Cc:** Alissa Simon  
**Subject:** RE: Revitalization RFA

Thanks, I have a time set aside through Renee, Carl's assistant for us to talk through the RFA you describe below.

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**From:** Brian Evjen [mailto:bevjen@norstarus.com]  
**Sent:** Monday, December 05, 2016 3:30 PM  
**To:** Carl Callahan (carl.callahan@cityofbradenton.com) <carl.callahan@cityofbradenton.com>; Jesus Nino (jesus@bradentonccra.com) <jesus@bradentonccra.com>  
**Cc:** Kwaku George <KCGeorge@ndconline.org>; Alissa Simon <ASimon@norstarus.com>  
**Subject:** Revitalization RFA

Carl and Jesus,

As you know, we submitted an application for Lincoln Village in the Small-Medium County RFA last week. We are hopeful we will receive a positive lottery number, and we'll let you know as soon as we know anything. We believe we may hear about this within the next 2-3 weeks.

Following a conversation KC and I had last week, I would like to start a dialog about a potential backup plan for Lincoln Village, and possibly Bryant Commons because the Development Proximity List does not appear to rule Bryant Commons out for this RFA.

Florida Housing issues a Revitalization RFA on 1/20/17 with applications due 2/23/17. This RFA is less competitive than the geographic RFAs (13 applicants last year as opposed to 98) and is largely based on the score of project narratives rather than a lottery. The narratives must show your project is located in a revitalization area, which means projects in areas where the local government has already passed revitalization plans and can document substantial investment in furtherance of such revitalization plans. You must also show your project is aligned with the revitalization plan. I believe the CCRA itself is evidence of the revitalization effort for the area encompassing Lincoln Village and Bryant Commons,

and these two projects are obviously aligned with the CCRA's plan so we could have a pretty decent shot at crafting a compelling narrative.

The Revitalization RFA offers 9% credits similar to the Small-Medium County Geo RFA, but FHFC is also offering \$2 million in SAIL funding on top of the 9% tax credits family projects. This means that, again, Lincoln Village would be the stronger applicant because it could leverage the SAIL \$ where Bryant Commons could not. The cost of submitting an application to the Revitalization RFA for Lincoln Village would be limited to the \$3,000 application fee. For Bryant Commons, we would need to pursue the form-based code compliance and adjustments, which I believe would require an investment of +/- \$12,000 in consultants' fees.

Alissa and I will participate in a Revitalization RFA workshop on 12/13/16 to learn more details, and we would like to set up a call after that to discuss further.

I just wanted to give you a heads-up in the meantime so you can think about whether you want to submit an application for one or both of these projects.

Please keep all your fingers crossed for a good lottery number for Lincoln Village.

Brian

**Brian Evjen | Director of Development**  
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