





MEMORANDUM

Date: October 12, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Tina Burns 
Housing & Community Development Director

Subject: **Request for approval for fund disbursement in the amount of \$900,000 from the Monroe County Land Authority to the City of Key West for the construction of affordable homeownership units at the Lofts of Bahama Village development at 918 Fort Street (also known as the 3.2 site) pursuant to Section 380.0666(3)(a), Florida Statutes, and in accordance with the City of Key West Comprehensive Plan Policy 3-1.1.7; and authorizing the City Manager to execute all documents consistent therein with upon consent of the City Attorney; providing for an effective date.**

Introduction

Respectfully request the City Commission to approve an additional disbursement of funding from the Monroe County Land Authority to provide construction gap funding to reduce the sales prices of the homeownership units at the Lofts at Bahama Village development at 918 Fort Street and create affordable housing units; authorizing the City Manager to execute all documents consistent therein with upon consent of the City Attorney; providing for an effective date.

Background

The City of Key West owns the property at 918 Fort Street commonly referred to as 3.2 acres, located within the Historic Neighborhood Commercial District – Bahama Village Truman Waterfront. The City has executed a 99-year lease agreement with the Developer to construct affordable residences onsite. The residences will consist of 98 rental units that after construction will be managed by A.H. of Monroe County and an additional 28-affordable homeownership units that will be sold to income eligible low-to-middle income homebuyers.

In December of 2022, the City Commission approved an initial disbursement of Monroe County Land Authority Funding in the amount of \$4,028,250.00 to provide for construction gap funding to reduce the purchase price of the fourteen (14) median, moderate- and middle-income units to make them affordable for homebuyers whose income are between 81% AMI to 140% AMI. The initial request has been secured for the development.

The purchase prices listed below are based off the 2023 HUD Income limits. These prices can change yearly due to HUD's updated median limits for Monroe County which historically publishes in April.

Current Pricing RFP	Very Low 60% ≤	Low 61% to 80%	Median to Middle 81% to 100%
2 Bedroom	\$146,531.00	\$244,219.00	\$634,696.00
3 Bedroom	\$162,750.00	\$271,250.00	\$705,250.00
Development GAP Land Authority Funding			
2 Bedroom	\$0.00	\$0.00	\$292,790.00
3 Bedroom	\$0.00	\$0.00	\$325,500.00
Final Purchase Prices to homebuyer	Very Low 60% ≤	Low 61% to 80%	Median to Middle 81% to 100%
Multiplying Factor by Code	1.50%	2.50%	3.50%
2 Bedroom	\$146,531.00	\$244,219.00	\$341,906.00
3 Bedroom	\$162,750.00	\$271,250.00	\$379,750.00

The additional funding request of \$900,000 will cover the increased costs of the purchase price changes for 2023 and 2024.

With the first disbursement of \$4,028,250.00 from the Monroe County Land Authority Funding and this added amount of \$900,000, total construction gap funding for the project will total \$4,928,250.00.

This project is listed as a priority 1 affordable housing goal 2 under new housing in the Key West Forward 3-year strategic plan.

Procurement

Approval of the requested disbursement would reduce the available funds balance of the Monroe County Land Authority monies that are allocated for the City of Key West.

Recommendation

Request the City Commission to approve the additional disbursement of funding in the amount of \$900,000 from the Monroe County Land Authority to create affordable housing by providing construction gap funding to reduce sales prices of the homeownership units at the Lofts at Bahama Village development; and authorizing the City Manager to execute all documents consistent therein with upon consent of the City Attorney; providing for an effective date.